Employer Assisted Injury Reporting

Report to the Legislature

as required by Chapter 264, Laws of 2006

December 2007

Executive Summary

Background

Traditionally in Washington State, a health care provider and injured worker initiate a workers' compensation claim by filing a Report of Industrial Injury or Occupational Disease (ROA) form. In 1998, the performance audit of the Washington Industrial Insurance System by the Joint Legislative Audit and Review Committee (JLARC) found that one of the most significant causes for delayed benefit payments to workers and lack of employer involvement in claims was due to the current reporting system (worker reports to the doctor and the doctor reports to the department).

In response to the JLARC findings and at the request of the Department, the Washington State Legislature, in the 2006 session, passed Substitute House Bill 2537. This bill required the Department of Labor and Industries (L&I) to develop and implement a voluntary pilot initiative to encourage the reporting of injuries by the worker to the employer and to encourage the employer to provide assistance to the worker in applying for benefits. The bill also directed L&I to educate both workers and employers on the importance of prompt reporting and directed the Department to report to the legislature on December 1, 2007 the findings of a study regarding:

- Claims not reported promptly
- The effects of the educational initiative
- Results of the COHE program education on early reporting and early notification of employers
- Results of the pilot where workers begin their claim process by applying through their employer
- Recommendation of any needed or suggested statutory changes to implement employer reporting for all workers covered by L&I.

Summary of findings

Claims not reported promptly

- *Review of the circumstances and the types of injuries involved:*

From a review of 2002 – 2006 injury claims with time loss:

1. Most claims are reported within 2 weeks following injury (68 percent).
2. There was no strong evidence of variation in reporting lags by quarter of injury or industry.
3. Claims with longer reporting delays cost more on average. A claim with a reporting lag of four weeks costs on average 20 percent more than a claim received in the initial week following injury; a claim received in the 8th week following injury is on average 70 percent higher (based on case incurred amounts).
4. Certain injury types such as hernias and dislocations are disproportionately represented in the category of claims with long reporting lags.

- *Reasons for the failure to report claims promptly:*

The Department of Labor and Industries contracted with the Gilmore Research Group to administer a department-provided survey to a random sample of injured workers to inquire about the reason for the delay in filing their claim. The largest percentage of injured workers who delayed filing claims, 40 percent of all workers surveyed, ***attempted self-care*** of the injury or illness first and only went to a medical provider and reported the injury after they failed to improve or got worse. Attempted self-care was reported as the reason for delay by:

63 percent of workers surveyed with dislocations (22/35)
59 percent of workers surveyed with hernias or ruptures (20/34)
30 percent of workers surveyed with fractures (6/20)
47 percent of workers surveyed with strains and sprains (88/189)

The effects of the educational initiative

The Department had an educational initiative in winter 05/06, prior to passage of SHB 2537. The employer claim notification letter went into effect in January 2006. This is an automated letter from the Department sent to employers upon receipt of a claim, it outlines how the employer can help control claim costs and explains the benefits of returning workers to light duty or keeping them on salary. In the same month, the wallet information card was made available. L&I developed the employee wallet card to help employers talk to their employees about what to do if they have an accident at work. Both the wallet card and the employer notification letter were intended to get employers involved earlier in the process.

- In 2005, the year prior to the educational initiative, 66.4 percent of allowed claims received had employer portions received. In 2006, the year after the initiative, 71.2 percent of allowed claims received had employer portions submitted.

The Department also began encouraging medical providers to fax in reports of accidents in February of 2006. The use of the fax line by providers started slowly but has increased solidly since April of 2007. Currently about 30 percent of reports are being received via fax. Injured workers whose accident reports are faxed to L&I are receiving payment of lost wage benefits on average nearly 3 days faster than those whose reports are sent in by mail.

Results of the pilot where workers begin their claim process by applying through their employer

1. The employer-reporting pilot group is disproportionately weighted toward firms that participate in retrospective rating[1] (retro) and larger firms. There is also a higher share of construction, information and manufacturing employers in the pilot group. The tables below show distributions for pilot participants versus the total state fund[2] (SF) by retro and non-retro hours and policy size.

Reported Hours (2006 Q3 - 2007Q2)

	Pilot participants	Total SF
Non Retro Hours	22%	63%
Retro Hours	78%	37%
Total Hours	100%	100%

Policy Size

	Pilot participants	Total SF
<=20 FTEs	8%	90%
21 to 100	42%	8%
>100	50%	2%
Total	100%	100%

[1] **Retrospective Rating** (Retro) is an optional financial incentive program offered by the Department of Labor and Industries to help qualifying employers reduce their industrial insurance costs.

Employers can enroll on their own or in group plans sponsored by trade associations and/or professional organizations (individual vs. group participation). Employers may receive premium refunds or they may be assessed additional premium based on their performance. Source: http://www.lni.wa.gov/ClaimsIns/Insurance/Reduce/Qualify/About/default.asp

[2] About two-thirds of Washington workers are covered by the state system. The other third work at federal facilities, and some larger companies and local governments who are self-insured. L&I regulates self-insured coverage, ensuring that those workers receive the same rights and benefits as workers in the State Fund.

2. Based on a survey of workers who had been injured, those employed in firms participating in the pilot were more likely to be unionized (30 percent) than those who were employed in non-participating firms (23 percent). (L&I Survey of Injured Workers, June 2007*;* the Gilmore Research Group for L & I.)
3. About 88 percent of claims received in the first 9 months of 2007 for workers employed in participating firms continued to be filed using the traditional method (initiated through the attending medical provider). The legislation did not include a requirement that workers file through their employer, but provided an option to file traditionally or through their employer.
4. On employer filed (EF) claims, 45 percent of employer portions of the report of accident were received by the department within 3 days of the injury being reported to the employer.
5. In firms participating in the pilot, claims filed by the traditional method versus those filed via the employer differ in distribution by status (medical only, kept on salary, time loss etc.) and determination (allowed, rejected and undetermined). The differences by claim status reach significance only when eliminating non-retro policy claims. More retro firms utilize kept on salary to control or reduce claim costs.
6. No evidence of difference in protest activity was found for EF versus non-EF claims.
7. No difference was found in the share of claims adjudicated as occupational disease.
8. Average determination lag for claims received in 2007:

   EF claims = 34.4
   All other = 13.1
   EF claims (excluding medical only) = 40.4
   All other (excluding medical only) = 15.5

9. In those cases where a determination is made on EF claims and time loss is due, payments are being made on average at about the same speed as for other state fund claims (excludes COHE claims). However, the median payment lag is 20 days from disability to payment for EF claims versus 17 for all other.

   The added delay in making determinations and payments on EF claims is likely because many EF claims are filed with no health care provider portion of the ROA or alternate medical information. While this does create a claim, as the worker has applied for benefits, the claim adjudicator does not have the information needed to make an allowance or benefit payment decision. There is often no diagnosis or medical opinion on the relationship of the diagnosis to the injury or illness as described, nor is there medical certification for time off work. On EF

claims, the claim manager must seek out this medical information. This delays the processing of the claim.

In order to minimize delays in paying benefits to injured workers, internal processes were put in place to special handle EF claims from receipt to claim allowance determination. However, the data shows that the changes were not enough to replicate the time lines of traditionally filed claims.

Average Reporting Lags (in days): Time Loss Claims Received January - September, 2007

	N	Injury to 1st Medical Visit	1st Medical Visit to Claim Receipt	Injury to Receipt	Injury to 1st TL Payment	Disability to Payment	Injury to Employer Portion Receipt
EF	38	3.5	5.2	11.2	39.2	22.9	10.9
All Other	12,170	7.1	10.4	17.4	40.5	23.8	33.1

10. No evidence of difference in protest activity was found for EF versus non-EF claims.

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Introduction

In the existing system for Washington State, a physician and injured worker initiate a workers' compensation claim by filing a Report of Industrial Injury or Occupational Disease (ROA) form. In 1998, the performance audit of the Washington Industrial Insurance System by the Joint Legislative Audit and Review Committee (JLARC) found that one of the most significant causes for delayed benefit payments to workers and lack of employer involvement in claims was due to the current reporting system (worker reports to the doctor and the doctor reports to the department).

In response to the JLARC findings and at the request of the Department, the Washington State Legislature, in the 2006 session, passed Substitute House Bill 2537. This bill required the Department of Labor and Industries (L&I) to develop and implement an initiative to encourage the reporting of injuries by the worker to the employer and to encourage the employer to provide assistance to the worker in applying for benefits. The bill also directed L&I to educate both workers and employers on the importance of prompt reporting and directed the Department to report to the legislature on December 1, 2007 the findings of a study regarding:

- Claims not reported promptly
- The effects of the educational initiative
- Results of the COHE program education on early reporting and early notification of employers
- Results of the pilot where workers begin their claim process by applying through their employer
- Recommendation of any needed or suggested statutory changes to implement employer reporting for all workers covered by L&I.

Other requirements:

- Report on incidents where employers may have discouraged injured workers from filing a claim or may have directed injured workers' medical care.

Prior to the passage of SHB 2537, L&I had implemented a number of initiatives to speed up the reporting of claims as directed by the Washington State Legislature in 2005 under Substitute House Bill 1918. This legislation allowed medical providers to transmit injured workers' applications for benefits to the

Department by fax rather than mail. The legislation also required L&I to immediately send a copy of the worker and healthcare provider portions of the ROA on all state fund claims to the employer along with a request that the employer submit their portion of the accident form. Employers were encouraged to file their form either by mail or electronically via the claim and account center (CAC).

Claims that are not reported promptly

To measure whether claims were reported promptly, the claims administrative database was queried to look at the lag between injury and claim receipt date in different industries. Differences in reporting lags by injury quarter were also reviewed to see if there were any seasonal reporting patterns.

Methods

In the state of Washington, employers are required to have workers' compensation coverage for their employees. About two-thirds of Washington workers are covered by the State Fund (SF) system. The other third work at federal facilities, and some larger companies and local governments that are self-insured. L&I regulates self-insured employers, ensuring that their workers receive the same rights and benefits as workers in the State Fund.

All administrative information and data necessary to process a SF claim including paying wage replacement benefits or permanent partial disability payments is stored in the Washington State Department of Labor and Industries Insurance System (LINIIS) database. Written claim related information is stored in a document imaging system that interacts with the claims database system. The Medical Information and Payment System (MIPS) contains all billing information generated by health care providers, including hospitals. Medical benefits are paid out of the MIPS system, which interacts directly with the LINIIS database.

Each employer has a North American Industrial Classification System (NAICS) code assigned which identifies the industry associated with the firm's commerce.

Data

The data used in this study is restricted to SF claims. All allowed SF claims selected for this study were based on claim liability code and actuary claim status code for injury year 2002-2006. Time loss, permanent total disability and permanent partial disability claims were included. Cases involving medical only, kept on salary, fatalities and miscellaneous were excluded. Claims for workers

who sought treatment at a Center of Occupational Health & Education (COHE) were excluded. Claim information extracted includes the claim identification number, injury date, claim receive date and NAICS industry group code (two-digit code). The industries were further aggregated into 10 major industry categories.

A	=	Agriculture (NAICS Sector 11)
AF	=	Accommodations & Food_SVC (72)
AW	=	Admin & Waste_Mngmt (56)
C	=	Construction (NAICS Sector 23)
M&M	=	Mining & Manufacturing (21,31,32,33)
WR	=	Wholesale & Retail (42,44,45)
TW	=	Transportation & Warehousing (48,49)
PA	=	Public Administration (92)
HS	=	Health Care & Social Assistance (62)
OSU	=	Other Specified & Unknown (00, 98, 99 and all other)

The American National Standards Institute Z16.2[3] codes were used to identify accident type, source and nature of injury. The occupational disease flag and the claim order and notice codes were used to identify occupational disease claims.

Injury data analysis

Claims with injury and occupational disease were grouped into two datasets, 'injury claims' (sample size n=109,241) and 'occupational disease claims' (n=10,394) to analyze separately. The following analysis is on the injury dataset. Lag days were calculated by computing the difference between claim receive date and injury date. The claims that had lag days longer than 365 days were excluded from the data set because RCW 51.28.050 requires that injury claims be submitted within one year after the date of injury. The small number of injury claims received after one year appeared to be data anomalies.

Data in Table 1 shows that 68 percent of all injury claims were filed within two weeks after the date of injury.

[3] The Department switched to the Occupational Injury and Illness Classification System (OIICS) in July 2005. Because older claims were included in this analysis, the decision was made to use Z16.2 codes.

Table 1

Number of Claims Reported per Week Following Injury

Weeks	Number of Claims	Claims (%)	Cumulative (%)
<=1 WEEK	35,870	33%	33%
2 WEEK	38,717	35%	68%
3 WEEK	13,506	12%	81%
4 WEEK	6,051	6%	86%
5 WEEK	3,419	3%	89%
6 WEEK	2,225	2%	91%
7 WEEK	1,528	1%	93%
8 WEEK	1,130	1%	94%
9 WEEKS (+)	6,795	6%	100%

Exploring the question of whether reporting lags vary by industry, the distribution of claims received by week by industry was reviewed. The number of claims received in the first week following injury in different industries ranged from 30-35 percent (Table 2). Across all industries, the overwhelming majority of the claims were filed within two weeks.

Table 2

Percent of Claims Reported Per Week Following Injury by Industry

Industry		N	<=1 Week	2 Week	3 Week	4 Week	5 Week	6 Week	7 Week	8 Week	9 Weeks+
A	Agriculture	6,370	34%	38%	13%	5%	3%	2%	1%	1%	4%
AF	Accommodations & Food Svcs	8,698	33%	36%	13%	5%	3%	2%	1%	1%	6%
AW	Admin & Waste Mngmt	8,280	35%	36%	12%	5%	3%	2%	1%	1%	5%
C	Construction	21,452	33%	35%	12%	6%	3%	2%	2%	1%	6%
HS	Health Care & Social Assistance	10,351	33%	36%	12%	5%	3%	2%	1%	1%	6%
MM	Mining & Manufacturing	10,699	35%	36%	11%	5%	3%	2%	1%	1%	6%
OSU	Other Specified & Unknown	14,325	30%	35%	13%	6%	4%	2%	2%	1%	8%
PA	Public Administration	5,636	31%	35%	12%	6%	3%	2%	2%	1%	7%
TW	Transportation & Warehousing	5,987	34%	35%	12%	6%	3%	2%	1%	1%	6%
WR	Wholesale & Retail	17,443	32%	35%	12%	5%	3%	2%	1%	1%	7%

Statistical analysis

Descriptive statistics of reporting lags were generated. The mean (simple arithmetic average), median (mid-point – where, in general, when values are arranged in order, half of the observations are above and half are below) and mode (not shown - most frequently occurring number) of the overall population are 19.7 days, 10 days and 7 days respectively (Table 3).

What this data shows is that most claims from injured workers were received in the initial two-week period following injury and that the share coming in decreased in each successive weeklong period. Most of the claims are received soon after injury. In a small share, there is a long delay between injury and claim filing. The mean being greater than the median (19.7>10) and to the right of the

mode, reflects the influence of the larger values in the lag days dataset – those small number of claims having very long lags. The influence of extreme observations is also clear from the large difference in the mean and standard deviation (std) (mean=19.70 and std=33.6). Extreme values will distort the mean level but the median is not significantly influenced by the extreme observations. The over all range of the data is 0-365 lag days, the upper end having been capped.

Table 3

Basic Statistical Measures of Reporting Lags for Injury Claims

N	Mean	Median	Std Dev	Lower Quartile	Upper Quartile	Min	Max
109,241	19.7	10	33.6	7	18	0	365

Analysis of Lag days by Industry category

The mean of lag days in different industries ranged from 17-22 days. The medians were from 10-11 (Table 4). As previously stated, the presence of extreme observations can cause the large differences observed between the means and standard deviations. In this dataset, an extreme observation represents a case where there was a long delay between the date of injury and the date the claim was received. These cases with exceptionally long delays pull up the average (mean) making it higher than the median. The parameters that are observed are expected and differences observed in the means and medians across industries are minor.

Table 4

Descriptive Statistics of Reporting Lags by Industry

Industry Category		N	Mean	Median	Std Dev	Lower Quartile	Upper Quartile	Min	Max
A	Agriculture	6,370	17.1	10	29.6	7	16	0	360
AF	Accomodations & Food_SVC	8,698	18.8	10	31.6	7	17	0	357
AW	Admin & Waste_Mngmt	8,280	17.4	10	28.1	7	16	0	355
C	Construction	21,452	20.3	10	35.6	7	18	0	365
HS	Health Care & Social_Assistance	10,351	18.9	10	32.5	7	17	0	363
MM	Mining & Manufacturing	10,699	18.8	10	32.7	7	16	0	360
OSU	Other Specified & Unknown	14,325	21.8	11	36.0	7	20	0	365
PA	Public Administration	5,636	21.2	11	35.0	7	19	0	365
TW	Transportation & Warehousing	5,987	19.0	10	31.3	7	17	0	361
WR	Wholesale & Retail	17,443	20.6	10	35.2	7	18	0	365

Long lags in claim filing due to seasonal variations:

Reporting lags by quarter of injury were reviewed to investigate whether employment that is seasonal in nature or has seasonal fluctuations influences the promptness of claim filing. Examples of industries that are seasonal are agriculture and construction.

Descriptive statistics for all injury claims in the dataset indicate that there is no significant difference in the mean or median of reporting lag days by injury quarter for injury claims. This suggests that overall, on average, workers injured in any given quarter report their claims in a similar filing pattern (with regard to delay) as those injured in any other quarter. It also suggests that the lag statistics are not influenced by the type of industrial activity that may be going on at any specific point in the year.

Table 5

Descriptive Statistics of Reporting Lags by Calendar Quarter

Quarter	N	Mean	Median	Std Dev	Lower Quartile	Upper Quartile	Min	Max
Q1	26,690	20.1	10	34.5	7	18	0	364
Q2	27,450	20.0	10	34.9	7	18	0	365
Q3	29,466	19.1	10	32.4	7	17	0	365
Q4	25,635	19.7	10	32.6	7	18	0	365

To investigate further, the median of the lag days is compared in each quarter across industries. Table 6 shows that the median of lag days in different industries ranged from 10 -11 and that the differences are unremarkable.

Table 6

Median Reporting Lag Days in all Industries by Quarter

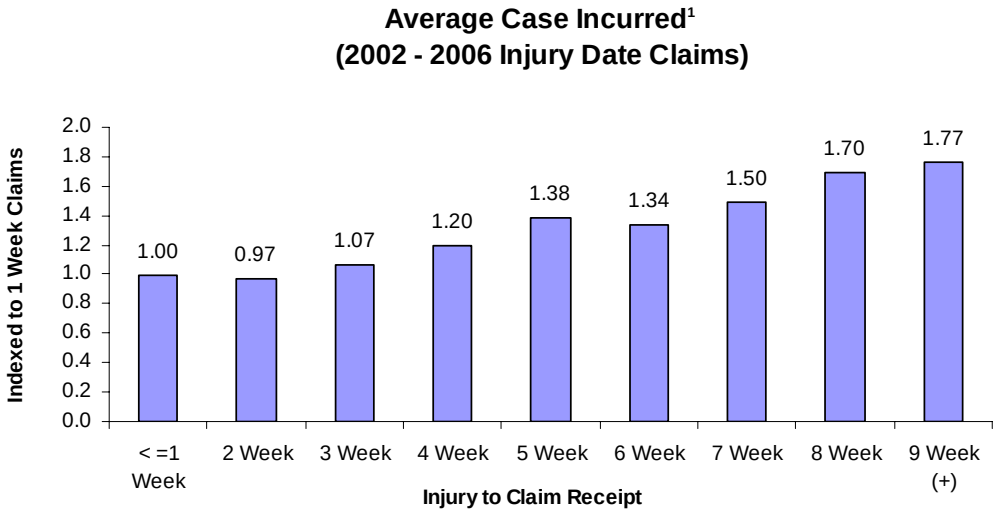
Quarter	A	AF	AW	C	HS	MM	OSU	PA	TW	WR
Q1	10	10	10	10	10	10	11	10	10	10
Q2	10	10	10	10	10	10	11	11	10	10
Q3	10	10	10	10	10	10	11	11	10	10
Q4	10	10	10	11	10	10	11	11	10	11

Analysis of injury claims filed after two weeks

After analyzing the injury data, it was clear that 68 percent of the claims were filed within two weeks after injury (Table-1). A look at data on claim costs showed consistently increasing costs for claims reported beyond the initial two

weeks following injury (Figure 1). This is consistent with findings by other insurers.[4,5]

Figure 1



[1]The Incurred Costs are: For closed claims, the actual paid to date amounts; for open claims, the estimated claim costs (based on file review by a claims management expert) or actual paid to date amounts, whichever is greater. Claims included were TPD, PPD and TL claims with time loss paid-to-date > $10.00. Occupational disease claims were excluded.

A claim with a reporting lag of four weeks costs on average 20 percent more than a claim received in the initial week following injury; a claim received in week eight following injury is on average 70 percent higher (Figure 1). Put another way, the average cost of a claim reported in the first week was $26,392; the average cost of claim reported in the eighth week was $44,747. This is not necessarily a causal relationship; there may be something different about long lag claims such as injury severity or type that contribute to the correlation between reporting lag and cost. Failure to seek prompt medical attention has been shown to be a predictor of long-term disability, which results in higher costs. A long lag between injury and claim receipt can be caused by the delay between injury and first medical visit and/or first medical visit and claim receipt; the first lag has been shown to be a stronger more stable predictor of long-term disability than the second. [6]

[4] *Glen-Roberts Pitruzzello,* "The High Cost of Delays: Findings on a Lag-Time Study," Issues, National Council on Compensation Insurance, Summer 2000.
[5] Mary Montgomery, "Performance Metrics that work," LibertyDirections, Liberty Mutual, Spring 2003.
[6] Bert Stover, Thomas M. Wickizer, Fred Zimmerman, Deborah Fulton-Kehoe, Gary Franklin, "Prognostic Factors of Long-Term Disability in a Workers' Compensation System," J Occup Environ Med. 2007; 49 No. 1 (Jan 2007) 31-40.

Analysis of injury claims filed two weeks or more after Injury

To learn more about these claims with longer reporting lags, analysis was done on the data set of claims received after 14 days (n=34,654). The descriptive statistics showed mean (44.9), median (25) and mode 15 (Table 7). These statistics indicate that the majority of these longer lag claims were filed within four weeks and that the distribution of lag days among claims with reporting lags of greater than two weeks was also skewed to the right.

Table 7

Injury Claims With Reporting Lags > 2 Weeks
Basic Statistical Measures

N	Mean	Median	Std Dev	Lower Quartile	Upper Quartile	Min	Max
34,654	44.9	25	51.1	18	46	15	365

Descriptive data by industry for claims with reporting lags of greater than two weeks is shown in Table 8. As with the overall data, no clear pattern emerges: the reporting lags are similar across industry groups.

Table 8

Injury Claims With Reporting Lags > 2 Weeks
Descriptive Statistics of Reporting Lags by Industry

Industry Category		N	Mean	Median	Std Dev	Lower Quartile	Upper Quartile	Min	Max
A	Agriculture	1,804	40.1	23	48.3	18	37	15	360
AF	Accommodations & Food Svcs	2,726	42.5	24	48.5	18	43	15	357
AW	Admin & Waste Mngmt	2,402	40.5	24	44.1	18	41	15	355
C	Construction	6,859	46.4	26	54.1	19	47	15	365
HS	Health Care & Social Assistance	3,185	43.7	25	50.2	18	44	15	363
MM	Mining & Manufacturing	3,109	45.5	25	51.5	18	47	15	360
OSU	Other Specified & Unknown	5,096	46.4	27	51.8	19	49	15	365
PA	Public Administration	1,924	46.6	27	51.0	19	50	15	365
TW	Transportation & Warehousing	1,867	43.2	25	47.6	18	45	15	361
WR	Wholesale & Retail	5,682	46.6	26	52.7	19	49	15	365

Seasonal variation of long lags in different quarters was also examined for the data set of claims filed after two weeks. Descriptive statistics indicated minimal differences with the quarterly means ranging between 44.1-46.2 and the medians from 25-26.

Table 9

Injury Claims With Reporting Lags > 2 Weeks
Descriptive Statistics of Reporting Lags by Calendar Quarter

Quarter	N	Mean	Median	Std Dev	Lower Quartile	Upper Quartile	Min	Max
Q1	8,423	46.2	26	52.6	18	48	15	364
Q2	8,750	45.6	25	53.3	18	46	15	365
Q3	9,167	43.8	25	49.7	19	45	15	365
Q4	8,314	44.1	26	48.7	19	46	15	365

To further examine possible seasonal variation in claims with reporting lags of greater than two weeks, median reporting lags by quarter across industries were compared. Table 10 shows a similar pattern as was found in the overall sample of injury claims: there is no outstanding difference in the median of lag days by quarter within or across industries. Intra-industry quarterly differences that are observed are not limited to those industries typically considered seasonal: public administration (PA) has the largest spread in quarterly medians.

Table 10

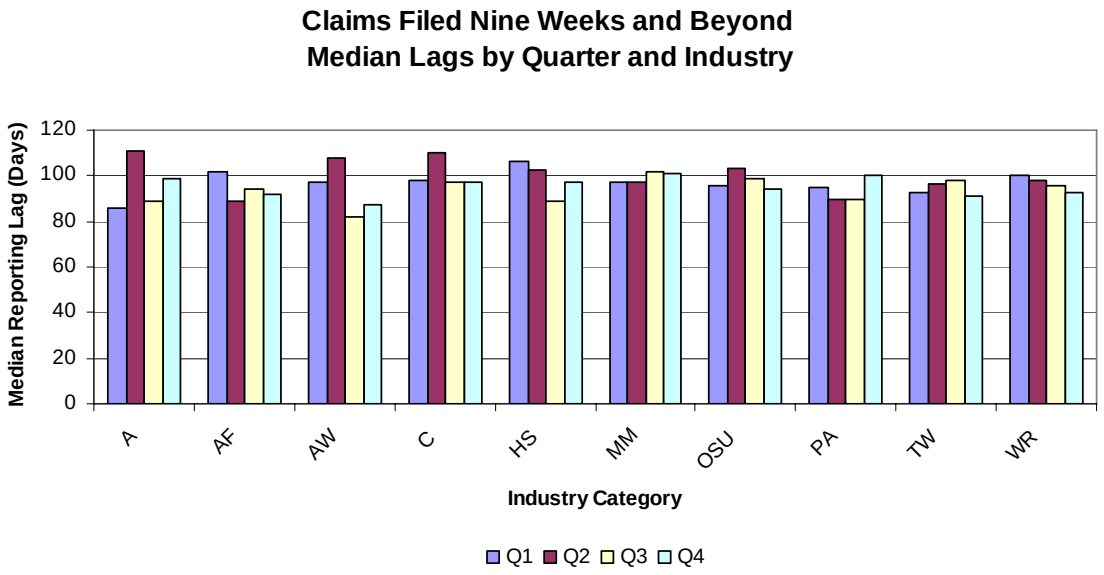
Injury Claims With Reporting Lags > 2 Weeks
Median Reporting Lag Days in all Industries by Quarter

Quarter	A	AF	AW	C	HS	MM	OSU	PA	TW	WR
Q1	25	25	24	27	26	25	27	27	26	28
Q2	22	24	23	25	26	26	27	25	24	25
Q3	23	23	26	25	25	25	27	26	26	27
Q4	23	24	24	26	25	25	27	29	26.5	26

Analysis of injury claims filed 9 weeks or more after Injury

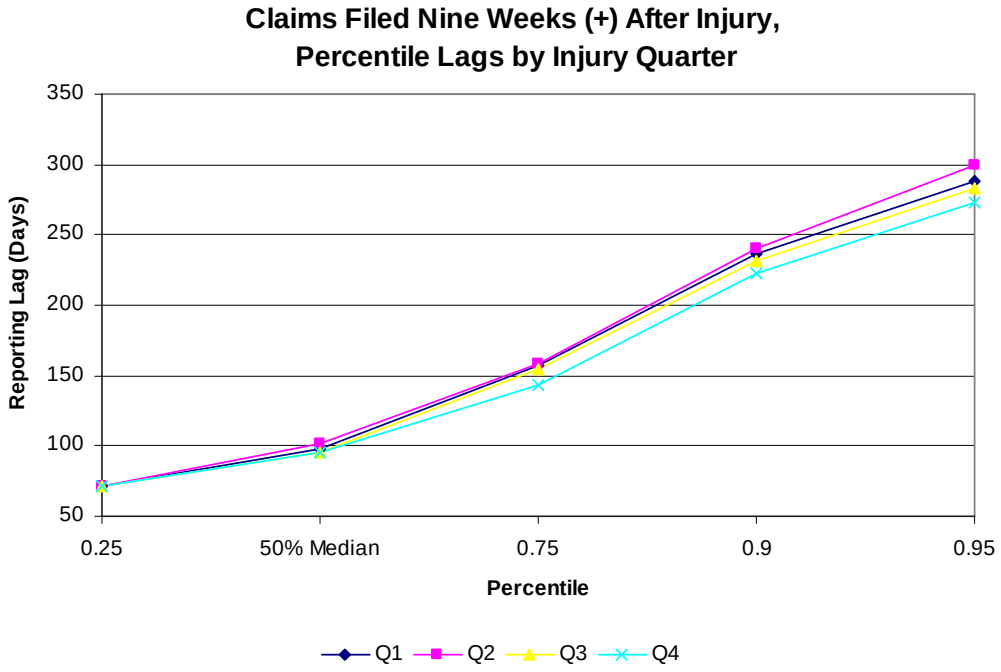
The claims reported nine or more weeks after injury (N=6,795) were analyzed separately. These are the observations that reside in the tail of the overall distribution. By definition, there is more variability in this group. Figure 2 shows median reporting lags by industry and quarter. Some industries, such as mining & manufacturing (MM), show little variability in median quarterly reporting lags; others like agriculture (A) and administration & waste management (AW) show more. Construction (C) stands out as having consistent quarterly medians with the exception of the second quarter, which is somewhat higher.

Figure 2



In general, among this group, those injuries occurring in the second quarter tend to be reported slightly slower than those injuries occurring in other quarters. This pattern can also be seen in Figure 3 by looking at the quarterly percentile lags.

Figure 3



The reasons for this are likely varied. Certain types of injuries tend to be reported promptly, such as fractures (80 percent within two weeks). Others, likely those with slower onset, or those having subtle symptoms that can be ignored for a period of time until the condition becomes acute, tend to be disproportionately represented in the set of claims with longer reporting lags; hernias and dislocations are examples.

Table 11

Reporting Lag by Nature of Injury

	Less than 2 weeks		Beyond 2 weeks		9 weeks (+)		Total	
	Number	Row %	Number	Row %	Number	Row %	Number	Row %
BRUISE	5,688	78%	1,440	20%	174	2%	7,302	100%
CUTS/ABRASIONS	6,543	82%	1,292	16%	138	2%	7,973	100%
DISLOCATION	2,615	51%	1,705	33%	801	16%	5,121	100%
FRACTURE	9,361	80%	2,077	18%	247	2%	11,685	100%
HERNIA AND RUPTURE	1,264	40%	1,223	39%	662	21%	3,149	100%
ILL DEFINED CONDITION	3,679	55%	2,179	33%	799	12%	6,657	100%
JOINT INFLAMMATION	1,293	47%	1,029	37%	442	16%	2,764	100%
MULTIPLE INJURY	2,282	72%	696	22%	171	5%	3,149	100%
OTHER & UNCLASSIFIED	5,108	62%	2,364	29%	797	10%	8,269	100%
SPRAINS & STRAINS	36,754	69%	13,854	26%	2,564	5%	53,172	100%
TOTAL	74,587	68%	27,859	26%	6,795	6%	109,241	100%

Reasons for failure to report claims promptly

Injured Worker Survey

In order to determine the reasons for delays in claim reporting, L&I contracted with the Gilmore Research Group to administer a department-provided survey to a random sample of injured workers with allowed state fund compensable claims. Workers' were surveyed in August of 2006.

Included in the sample provided to Gilmore were records of:

- workers with an injury date in 2005, where, if provided, the employer indicated more than five days before the employee reported the claim to them AND,
- where, if provided, the injured worker indicated it was more than five days before they reported their claim to their employer.
- Note: These are not mandatory fields on the report of accident; if they were left blank, this exclusion criterion was ignored.

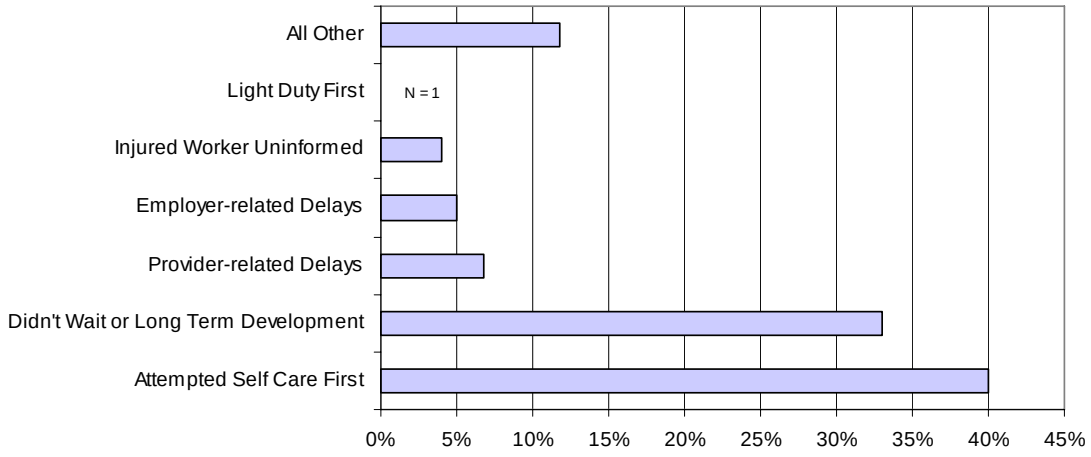
Excluded from the sample were hearing loss and COHE claims. Finally, the selection was further limited to those claims with more than seven days between injury and receipt of the claim by the department. A random sample of 3,000 claims was selected from claims meeting all of the above criteria. Gilmore completed 1,337 phone calls to obtain 501 complete responses.

Reported reasons

The reasons that injured workers reported waiting seven days or more to file a claim are shown in Figure 4.

Figure 4

Reasons for Delayed Reporting of Claim - Percent of Sample



The largest percentage of injured workers who delayed filing claims (40 percent of all workers surveyed - 200/501) ***attempted self-care*** of the injury or illness first, and only went to a medical provider after the injury or illness failed to improve or got worse. This includes:

63 percent of workers surveyed with dislocations (22/35)
59 percent of workers surveyed with hernias or ruptures (20/34)
30 percent of workers surveyed with fractures (6/20)
47 percent of workers surveyed with strains and sprains (88/189)

Of the 200 workers who attempted self-care first, 71 percent delayed their first medical visit by more than seven days. Within this group of 200, 81 percent had claims for injuries and 20 percent* had claims for occupational diseases. Further detail on the reasons for delay given by those workers classified as having attempted self care are shown in Table 12.

Table 12

Attempted Self Care First subgroups	Injury*		Occupational Disease*	
	Count	Row Percent	Count	Row Percent
Attempted self care at first, but found that injury got worse	144	83%	29	17%
Getting hurt happens every day/Tried to work through injury	15	65%	8	35%
Didn't want to file a claim/Wanted to wait to see if it got better	2	50%	2	50%
Total	161	81%	39	20%

*Case characteristics from agency data: the date of manifestation, the point at which medical treatment is required, is usually the date of the first medical visit for an occupational disease claim .

The second highest percentage of injured workers (33 percent or 164/501) indicated that they either ***did not wait more than seven days*** to file a claim ***or that the injury or illness took a long time to develop*** (including occupational diseases). Only 35 percent (58/164) of "*didn't wait or long-term development group"* were identified in agency data as being occupational disease claims Further detail on the reasons for delay given by those workers classified as reporting that they did not wait or it was a long-term development are shown in Table 13.

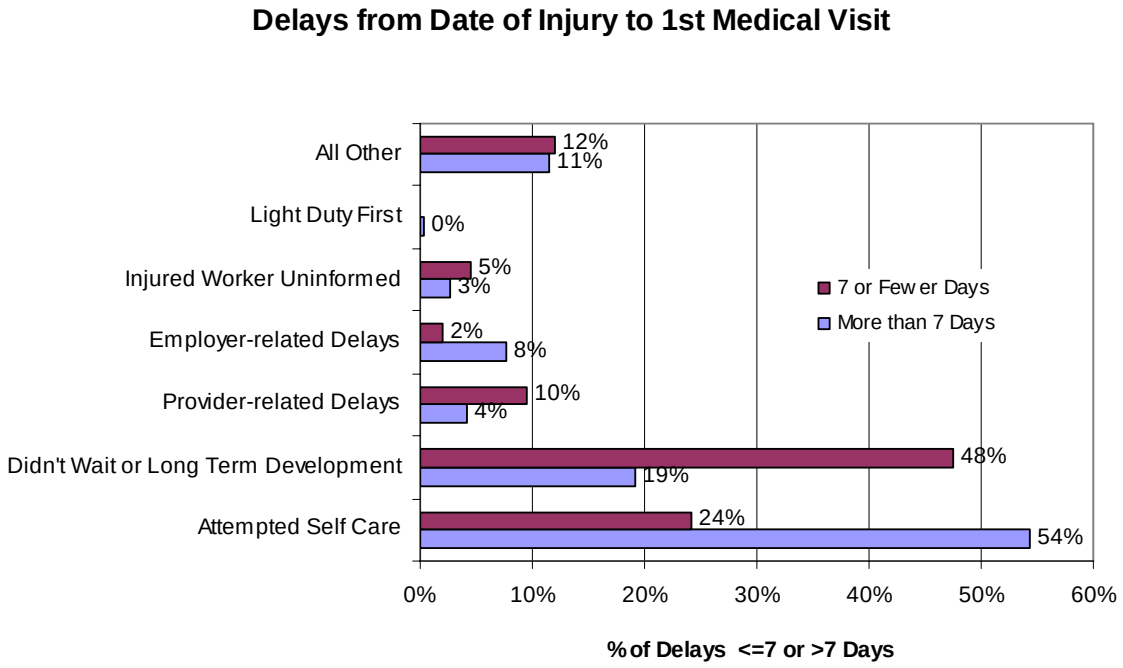
Table 13

Didn't Wait or Long-Term Development subgroups	Injury*		Occupational Disease*	
	Count	Row Percent	Count	Row Percent
Didn't Wait or Occupational Disease	92	65%	50	35%
Long-term thing/didn't act up right away	8	53%	7	47%
Thought it was a recurring/old injury	6	86%	1	14%
Total	106	65%	58	35%

*Case characteristics from agency data: the date of manifestation, the point at which medical treatment is required, is usually the date of the first medical visit for an occupational disease claim .

For occupational diseases, the date of manifestation, which is the point at which medical treatment becomes necessary, is often the same as the date of the first medical visit. Consequently, occupational disease claims do not often show a delay from date of injury to first medical visit. Forty-eight percent of those having a first medical visit within seven days of their injury (based on administrative data) said that they did not wait or that their injury/illness took a long time to develop. This compares with nineteen percent of the workers with more than seven days between date of injury and first medical visit. Injured workers who attempted self-care first accounted for the majority of delays of more than 7 days from injury to first medical visit. (Figure 5)

Figure 5



The remaining five reason-for-delay groups are significantly smaller than the first two. Seven percent of the sample (34/501) reported **provider-related delays**. One-third of these had a first medical visit more than seven days following the date of injury. Most of those reporting a provider related delay had injury claims, not occupational disease claims. When asked in a separate question whether anyone assisted them with filing their claims, 16 percent (81/501) of the injured workers reported that a medical provider assisted them. Only two workers reported that a medical provider suggested that they delay or not file a claim.

Two survey questions explored whether anyone suggested that the worker wait or not file a claim. From the total survey population, 9 percent of the injured workers (43/501) reported that their employer suggested that they either delay filing or not file a claim. However, **employer-related delays** account for only 5 percent (25/501) of the reason for delay responses. Employers provided assistance with filing their claims to 9 percent (44) of the injured workers.

Twelve of the eighteen workers who said **they didn't know how to or that they could file a claim** were employed by employers with more than 100 employees. Only one injured worker reported **trying light-duty work** prior to filing a claim.

The **All other reasons** category includes: the injured worker did not realize that the injury was work-related (14), worker was out of town (4), worker had filed a

claim before and did not like L&I (3), worker didn't know why they delayed (24), worker refused to answer (4) and miscellaneous comments (10).

Survey conclusions

In this survey, injured workers were asked why they waited more than seven days to file a claim. More than any other reason for delaying to see a medical provider or file a claim, injured workers attempted self-care first, even for some apparently serious injuries. These claims account for the majority of all claims in the sample that show a delay of more than seven days delay from date of injury to first medical visit.

Injured workers who said that they didn't wait to see a medical provider or file a claim represent almost half of the claims in the sample that show a delay of seven or fewer days from date of injury to first medical visit.

Provider-related and employer-related delays together represent only twelve percent of all delays reported.

The complete survey report: *Survey of Reasons for Delayed Reporting of Claims* is available upon request.[7]

The effects of the educational initiative

The Department had an educational initiative in winter 2005/06, prior to the passage of SHB 2537. The employer claim notification letter went into effect in January 2006, this is the automated letter sent to employers providing them with the information submitted on the ROA from the worker and the provider; in the same month, the wallet information card was made available. L&I developed the employee wallet card to help employers talk to their employees about what to do if they have an accident at work. Both the wallet card and the employer notification letter were intended to get employers involved earlier in the process. At about the same time, a dedicated provider fax line was installed and providers were encouraged to fax injured worker's accident reports directly to the Department rather than sending them through the mail. This was a recommendation made in the 1998 JLARC Workers' Compensation System Performance Audit.

[7] Washington State Department of Labor and Industries, Employer Reporting Project, Survey of Reasons for Delayed Reporting of Claims, March 2007.

Employer notification letter

An initiative that the Department took to speed up the receipt of information was the implementation of *The Employer Notification Letter*, which replaced the *Notice of Claim Arrival* card. The new letter went into effect in mid-January 2006. Employers no longer have to depend on the medical provider to send them their portion of the accident report. Instead, they are automatically sent a letter from the Department outlining how they can help control claim costs and explaining the benefits of returning workers to light duty or keeping them on salary. Along with the letter, is the employer portion of the accident report with a request that it be completed and returned to the Department. Many employers now know about claims sooner and have the details of what their worker and the worker's provider sent to the department on the ROA. In many claims, employers are able to provide their information early on for consideration during the adjudication process.

- In 2005, the year prior to the educational initiative, 66.4 percent of allowed claims received had employer portions received. In 2006, the year after the initiative, 71.2 percent of allowed claims received had employer portions submitted.

It is unknown how many health care providers sent employers their copies of the ROA in the past, but now all employers get copies of this information. Prior to the automated process, employers had to rely on the injured worker knowing the employer's address and supplying it to the health care provider so that the provider could mail the employer the information.

Employee wallet cards

L& I developed wallet cards that employers can provide to workers. The card explains that the worker is required to report any accident immediately to their employer. Information regarding who the worker should notify in case of a work-related injury/disease and the employer's L&I account number are provided on the card. The card also explains to the employee that they are entitled to benefits if injured on the job.

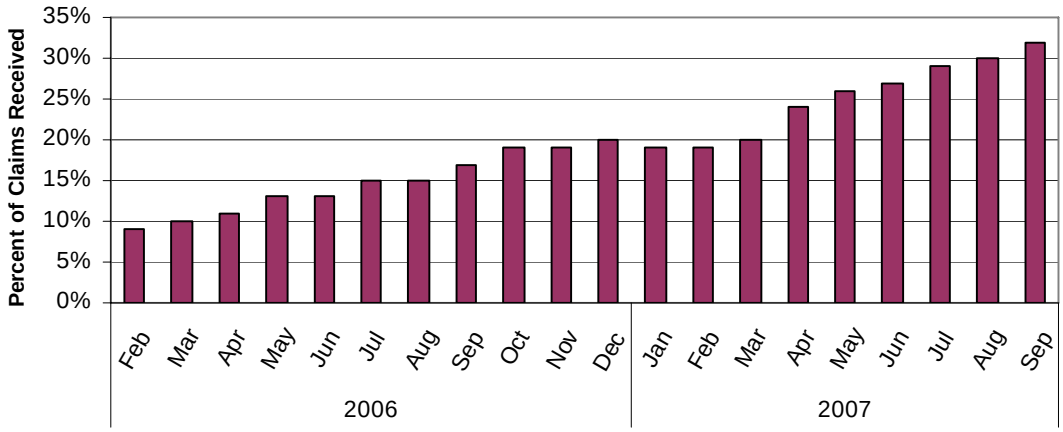
Provider fax

The Department also began encouraging medical providers outside of COHE participants to fax in reports of accidents (ROAs) in February of 2006. Prior to this date, the faxing of ROAs to the Department had been limited. The use of the

general fax line by providers started slowly, but has increased steadily since April of 2007. Currently, about 30 percent of reports are being received via fax (Figure 6). This is a success:

Figure 6

Provider Submission of Report of Accident (ROA) by Fax



All State Fund Claims Received: Excluding COHE. Data as of 10/03/2007

- Injured workers whose accident reports are faxed to L&I are **receiving time loss compensation payments on average nearly 3 days faster** than those whose reports are sent in by mail.

Results of the COHE program education on early reporting and early notification of employers

The Occupational Health Services Project, Centers of Occupational Health and Education (COHE) using the occupational health best practices (below) have been able to substantially reduce disability among injured workers while maintaining a high level of satisfaction with the care they receive.

Occupational Health Best Practices

Source L&I Internet http://www.lni.wa.gov/ClaimsIns/Files/Providers/ohs/OhsFactSheet.pdf

1. Occupational Health Medical Directors and Clinical Administrators provide direction, leadership and community outreach. They also actively recruit providers from the community to join the COHE.

2. Participating Providers receive training in occupational health best practices.

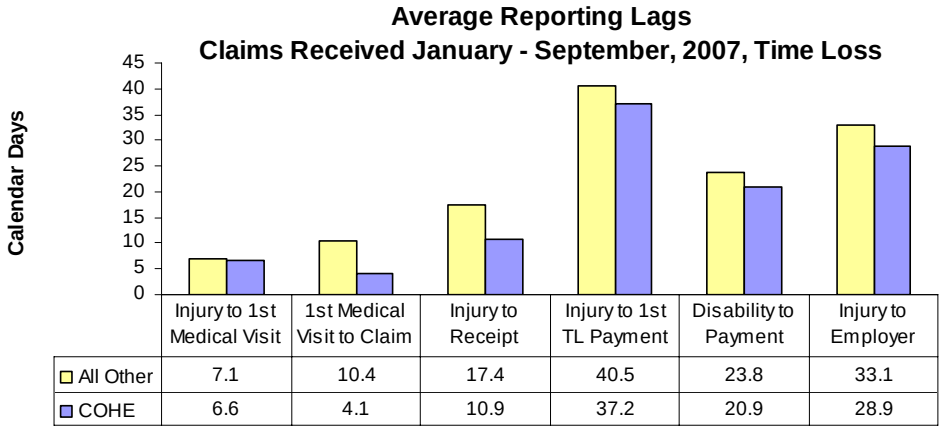
3. COHE Mentors include specialists who agree to see injured workers promptly and advise on clinical issues.

4. Health Services Coordinators facilitate return-to-work efforts with providers, employers, unions, and the workers' compensation system.

5. Financial Incentives for Occupational Health Best Practices are provided by L&I to enrolled physicians for the following services:
    - Submitting accident report to the workers' compensation insurer within 2 days
    - Documenting injured worker's physical status and limitations at each visit
    - Contacting the injured worker's employer about return-to-work options
    - Assessing barriers to return-to-work at 4 weeks of time-loss

These incentives coupled with the other components of the **COHEs are resulting in quicker reporting and faster payments** to injured workers (Figure 7).

Figure 7



	Injury to 1st Medical Visit	1st Medical Visit to Claim	Injury to Receipt	Injury to 1st TL Payment	Disability to Payment	Injury to Employer
All Other	7.1	10.4	17.4	40.5	23.8	33.1
COHE	6.6	4.1	10.9	37.2	20.9	28.9

Occupational Disease Claims are excluded. The data is based on the October 2007 L&I data warehouse load. As allowance and disease status can change over time, the numbers presented will differ from data extracted at a different point in time. The individual averages are calculated using different sets of claims: A case where the injury date is recorded as being after the 1st medical visit date would be excluded from the calculation of the average days injury to 1st medical visit, however, if this case had a medical visit date prior to claim receipt, it would be included in the calculation of average days 1st medical visit to claim receipt and, if the injury date was prior to the claim receipt date, it would be included in the calculation of the average days injury to receipt. Records with null (missing date values) were also excluded from the calculations of the applicable averages.

Results of the pilot where workers begin their claim process by applying through their employer

Pilot development and participant recruitment

In winter of 2006, the Department asked the Washington State Legislature to authorize an employer-reporting pilot as part of its ongoing efforts to improve management of the workers' compensation system. The legislature approved and passed Substitute House Bill 2537.

In spring of 2006, L&I began the process of developing a pilot program, which would allow injured workers the choice to initiate their claims directly through pilot-participating employers. L&I set out to recruit volunteer employers who met certain requirements. Specifically, in order to participate they must have:

1. Been in business at least two years.
2. Have L&I accounts that are in good standing (e.g., building contractors must be properly registered).
3. An acceptable Division of Occupational Safety and Health (DOSH) record, including no willful, repeat serious, or failure to abate violations in the past three years.
4. Expectations of having claims despite good efforts to prevent injuries.

An effort was made to get a mix of employers that were diverse in industry, size, geography, and level of union membership among their employees. In order to participate employers also had to agree to:

1. Provide workers with written materials from L&I that explain employer reporting and workers' rights under workers' compensation laws.
2. Provide L&I with logs of on-the-job accidents and injuries.
3. Provide workers and L&I with written confirmation that the worker chose to initiate a claim through the employer.
4. Agree to meet L&I's expectations for prompt claim filing within two days of completion of the Report of Accident.
5. Assist L&I in periodic employee surveys to identify incidents in which employers may be directing care or discouraging the filing of a claim.
6. Provide L&I with any information that may be needed for a report to the Legislature.

Initial announcements of the pilot were made via contacts with newspapers, trade journals and a letter to small businesses. Recruitment intensified through summer and fall. Press releases were targeted to business editors. A letter from Robert Malooly, Assistant Director for Industrial Insurance was sent to firms with large premium volume. A fact sheet was developed for L&I's Small Business liaison to distribute when meeting with small businesses representatives. An announcement was established on the L&I website encouraging employers to sign up for a list service that would provide communications to them electronically. The web was updated periodically as recruitment intensified. The Department partnered with labor and business leaders to provide information to their constituents and encourage participation in the pilot.

During the recruitment period, specialized reporting forms were being developed for the purpose of accommodating employer filed (EF) claims. A special ROA form was designed. These forms were assigned claim numbers beginning with EF; this allowed employer filed claim to be distinguished from other claims. In an ideal pilot, EF claims would have navigated the system indistinguishable from other claims. To ensure that injured workers who filed claims through their employers still received their benefits in a timely manner, this was not possible.

In fall of 2006, a number of key decisions were made regarding the adjudication of employer filed claims. It was decided early on that it was not feasible to have employer filed claims handled invisibly. With the employers' and workers' completed ROAs on EF claims presumably arriving in many cases prior to the medical information, claim managers would need to identify employer-filed claims so they could begin the process of tracking down the medical information needed to adjudicate the claim. At the same time, a decision was made to initiate all EF claims as potential time loss claims; this action ensured that the EF claims would be handled as priority claims.

Employers and their representatives were trained on the employer claim filing process in November and December of 2006. Instructor led classes were conducted in both Eastern and Western Washington. Educational materials documenting the process for both workers and employers were made available. Included were a worker and employer "checklist," a poster and a question and answer document for workers and employers. (See Appendix).

Active recruitment for the pilot stopped on December 31, 2006. Despite the intensive recruitment efforts, the number enrolled fell short of the maximum participation of 500 firms. The initial participant count was 231 policies. At the time of this report, there were 222 L&I policies (representing 315 employer accounts) participating in the pilot.

Characteristics of pilot firms

The makeup of firms participating in the employer reporting pilot are disproportionately weighted toward firms that participate in retrospective rating (Table 14) and larger firms (Table 15).

Table 14
Reported Hours (2006 Q3 - 2007Q2)

	Pilot participants	Total SF
Non Retro Hours	22%	63%
Retro Hours	78%	37%
Total Hours	100%	100%

Note: State Fund Hours 2006Q3 - 2007Q2. Pilot firms identified by policies participating as of August 2007
Source: L&I data warehouse September 2007 load.

Table 15
Policy Size

	Pilot participants	Total SF
Small: <=20 FTEs	8%	90%
Medium: 21 to 100	42%	8%
Large: >100	50%	2%
Total	100%	100%

Note: Based on highest quarter hours 2006Q3 - 2007Q2. Pilot firms participating as of August 2007.
Source: L&I data warehouse September 2007 load.

There is a higher share of construction, information and manufacturing industries in the pilot group as compared to the total State Fund. The pilot group is somewhat underrepresented in professional/technical services, retail firms and those in accommodation and food services (Table 16).

Table 16

Participation by Industry

	All Firms		Pilot Firms	
NAICS SECTOR	Hours	%	Hours	%
ACCOMMODATION AND FOOD SERVICES	275,855,290	8.4%	2,675,159	3.5%
ADMINISTRATIVE/SUPPORT/WASTE MGMT	200,493,196	6.1%	3,010,729	3.9%
AGRICULTURE, FORESTRY, FISHING AND HUNTING	119,593,356	3.6%	5,395,424	7.1%
ARTS, ENTERTAINMENT, AND RECREATION	44,048,057	1.3%	119,980	0.2%
CONSTRUCTION	314,866,318	9.5%	11,697,667	15.3%
EDUCATIONAL SERVICES	144,035,188	4.4%	1,358,038	1.8%
FINANCE AND INSURANCE	142,395,706	4.3%	1,777,844	2.3%
HEALTH CARE AND SOCIAL ASSISTANCE	361,720,640	11.0%	7,800,811	10.2%
INFORMATION	59,884,225	1.8%	7,329,928	9.6%
MANAGEMENT OF COMPANIES AND ENTERPRISES	1,691,690	0.1%	19,718	0.0%
MANUFACTURING	256,801,163	7.8%	12,489,261	16.3%
MINING	6,739,839	0.2%	503,545	0.7%
MISSING OR UNKNOWN	54,265,932	1.6%	68,578	0.1%
OTHER SERVICES (EXCEPT PUBLIC ADMINISTRATION)	159,353,842	4.8%	998,167	1.3%
PROFESSIONAL, SCIENTIFIC, AND TECHNICAL SERVICES	273,324,236	8.3%	1,573,620	2.1%
PUBLIC ADMINISTRATION	135,503,598	4.1%	4,002,075	5.2%
REAL ESTATE AND RENTAL AND LEASING	114,187,820	3.5%	2,118,329	2.8%
RETAIL TRADE	352,920,470	10.7%	3,722,778	4.9%
TRANSPORTATION AND WAREHOUSING	86,192,991	2.6%	2,549,513	3.3%
UTILITIES	9,989,139	0.3%		0.0%
WHOLESALE TRADE	186,522,462	5.7%	7,306,037	9.5%
Total	3,300,385,158	100.0%	76,517,201	100.0%

Note: State Fund Hours 2006Q3 - 2007Q2. Pilot firms identified by policies participating as of August 2007
Source: L&I data warehouse September 2007 load.

Based on a survey of workers who had been injured *(*June 2007: The Gilmore Research Group for L & I) those employed in firms that chose to participate in the pilot were more likely to be unionized (30 percent) than those who were employed in non-participating firms (23 percent). This finding is only a proxy used because of a lack of data that would enable a comparison of union status among the entire employed population of participating and non-participating firms.

Claim characteristics

About 12 percent of the 3,196 claims received in the period January – September 2007, for workers employed in pilot firms were filed through the employer (Table 17). Forty-five percent of employer portions of the report of accident for the EF claims were received within 3 days.

Table 17

Filing Method, All Claims Received January- September, 2007, Pilot Firms

Employer Filed		Traditional		Total	
374	12%	2,822	88%	3,196	100%

All Claims Received January- September, 2007, Pilot Firms

Claim Type	(N)
Retro	2,071
Non Retro/Non COHE	397
COHE	728
Total	3,196

Source: L&I data warehouse October 2007 load.

A primary concern of L&I was whether a higher share of claims filed through the employer would be rejected because of lack of medical information. The data for the EF non-COHE claims (2,468) does show that more claims are rejected in the EF group. There is a significant relationship ($p < .0001$) between determination status and filing method (Table 18).

Table 18

All Claims Received January-September, 2007, by Determination Status, Pilot Firms (non COHE)

	Employer Filed		Traditional		Total	
Missing (blank)	7	2%	39	2%	46	2%
Allowed	234	72%	1,833	85%	2,067	84%
Rejected	61	19%	194	9%	255	10%
Undetermined	21	7%	79	4%	100	4%
Total	323	100%	2,145	100%	2,468	100%

Source: L&I data w arehouse October 2007 load.

Employer filing appears to have resulted in more claims being filed for simple incidents where no injury occurred or no medical treatment was sought. Evidence of this is seen in the share of claims that are rejected for the reason, "THAT NO LICENSED PHYSICIAN'S REPORT OR MEDICAL PROOF HAS BEEN FILED AS REQUIRED BY LAW…." (Table 19) Rejection of this type may indicate a case where the worker had a minor incident and did not seek medical treatment but the employer submitted a ROA. In order to minimize any delays in benefit payment of EF claims, when the employer and worker portions were submitted, the claim manager made phone calls to workers and employers to determine if medical treatment was sought and with whom. Claim managers waited for responses to their written inquires for 60 days before rejecting the claim for "…no licensed physicians report…" Upon rejection of an EF claim for this reason,

workers were sent a letter of explanation telling them that once the rejection became final (60 days from receipt) that they no longer had an option to file a claim for the incident and that the one year to file no longer existed. Their filing starts the clock towards issuance of a final and binding rejection order that is not reversible if medical treatment is later required.

Table 19
Claims Received January - September 2007, by Rejection Reason, Pilot Firms (non COHE)

	Employer Filed		Traditional		Total	
	(N)	%(col)	(N)	%	N	%
THAT THERE IS NO PROOF OF A SPECIFIC INJURY AT A DEFINITE TIME AND PLACE IN THE COURSE OF	8	13%	98	51%	106	42%
DUPLICATE REJECTION - CLAIM HAS BEEN REJECTED BECAUSE IT IS A DUPLICATE OF ANOTHER CLAIM THAT HAS ALREADY BEEN RECEIVED BY THE DEPARTMENT FOR THE SAME INJURY OR OCCUPATIONAL DISEASE.	17	28%	33	17%	50	20%
THAT CLAIMANT'S CONDITION IS NOT THE RESULT OF	1	2%	24	12%	25	10%
CLAIMANT NOR OCCUPATIONAL DISEASE CONTRACTED. INOCULATION OR OTHER IMMUNOLOGICAL TREATMENT TO AVOID THE OCCURRENCE OF AN INFECTIOUS OCCUPATIONAL DISEASE MAY BE PAID FOR AT THE DEPARTMENT'S DISCRETION. THIS CLAIM IS REJECTED WITH THE UNDERSTANDING THE CLAIMANT HAS THE RIGHT TO FILE A FURTHER CLAIM IN THE EVENT AN OCCUPATIONAL DISEASE OR INFECTION ARISES AS A RESULT OF THE WORK-RELATED EXPOSURE.	14	23%	7	4%	21	8%
THAT NO LICENSED PHYSICIAN'S REPORT OR MEDICAL PROOF HAS BEEN FILED AS REQUIRED BY LAW.	15	25%	3	2%	18	7%
THAT CLAIMANT'S CONDITION IS NOT THE RESULT OF AN INDUSTRIAL INJURY AS DEFINED BY THE INDUSTRIAL	1	2%	7	4%	8	3%
All OTHER	5	8%	22	11%	27	11%
Total	61	100%	194	100%	255	100%

Source: L&I data warehouse October 2007 load.

With employer reporting, employers are aware of claims early on; conceptually this could result in more injured workers being kept on salary. Looking at allowed claims (N=2,067) there is an early indication that this may be happening (Table 20). However the differences did not reach significance at the .05 level ($p = .058$). A significant relationship between filing method and claim status ($p = .025$) is seen among claims filed by workers whose employers participate in both a retrospective rating program and the employer pilot (N=1,739) (Table21). More workers in the employer filed group are being kept on salary.

Table 20

Allowed Claims Received Jan-September, 2007 by Status, Pilot Firms (non COHE)

	Employer Filed		Traditional		Total	
	(N)	% col	(N)	% col	(N)	% col
KEPT ON SALARY	22	9%	107	6%	129	6%
MEDICAL AID ONLY	148	63%	1,325	72%	1,473	71%
MISCELLANEOUS	3	1%	13	1%	16	1%
OTHER	21	9%	112	6%	133	6%
PERMANENT PARTIAL DISABILITY	2	1%	14	1%	16	1%
TIMELOSS	38	16%	262	14%	300	15%
Total	234	100%	1,833	100%	2,067	100%

Source: L&I data warehouse October 2007 load.

Table 21

Allowed Retro Claims Received Jan-September, 2007 by Status, Pilot Firms (non COHE)

	Employer Filed		Traditional		Total	
	(N)	% col	(N)	% col	(N)	% col
KEPT ON SALARY	22	11%	101	7%	123	7%
MEDICAL AID ONLY	122	62%	1,120	73%	1,242	71%
MISCELLANEOUS	3	2%	12	1%	15	1%
OTHER	19	10%	98	6%	117	7%
PERMANENT PARTIAL DISABILITY	1	1%	12	1%	13	1%
TIMELOSS	30	15%	199	13%	229	13%
Total	197	100%	1,542	100%	1,739	100%

Source: L&I data warehouse October 2007 load.

While the numbers are small, the initial set of claims filed via employer filing show no significant difference in the share that are occupational disease. A cutoff date of June 30, 2007 was used to allow time for an occupational disease determination to be made.

Table 22

Allowed Claims Received 01/01/2007 - 06/30/2007

by Disease Status, Pilot Firms (non COHE)

	Employer Filed		Traditional		Total	
Injury	158	93%	1,166	96%	1,324	96%
Occupational Disease	11	7%	45	4%	56	4%
Total	169	100%	1,211	100%	1,380	100%

Source: L&I data warehouse October 2007 load.

With all parties being more actively involved in the filing of a claim through the employer filing method, it was hypothesized that the share of claims with protests would be smaller for employer filed claims. So far, this has not proven to be the case. The share of claims with a protest of any sort did not differ between employer filed claims and those filed through the traditional methods. For claims filed in pilot firms, the share of claims with protests was about 7 percent in both

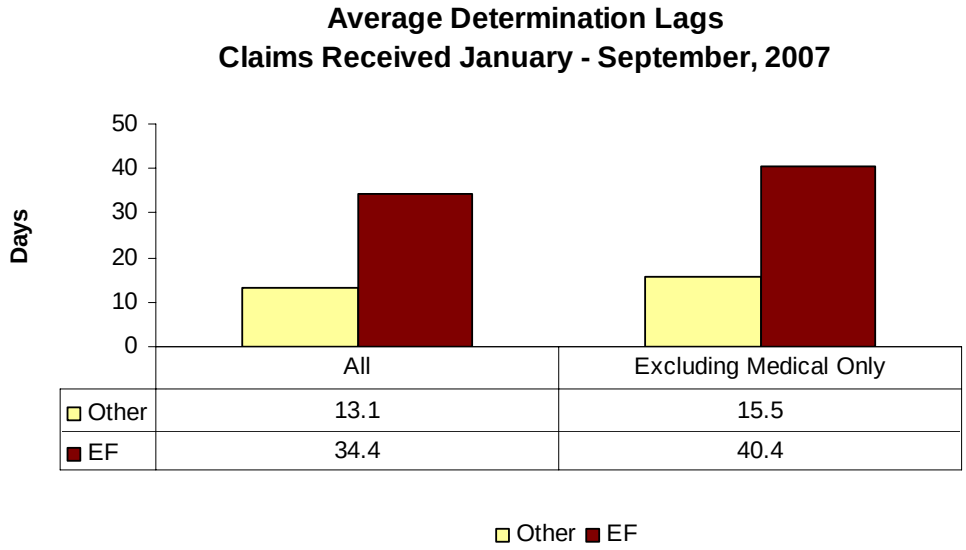
the traditional and employer filed group; the share among all non EF claims received in 2007 was about 6 percent.

Determinations and timely payment

Finally, we look at two important factors in providing timely benefits to injured workers: the speed of making a determination to allow or reject a claim; and, the promptness of making payments due to injured workers.

The average lags for making determinations are much higher for employer filed claims (Figure 8). This is likely because of the many extra steps required in the claim adjudication when the needed medical information is not available. In these cases, the claims adjudicator must make continual contact with the worker in an attempt to verify their medical status. Experienced adjudicators have estimated that this aspect of EF claims makes them about twice as labor intensive to process in the early stages of the claim. Data to date for the small number of EF claims received so far show determinations on average are made much slower on EF filed claims than on the total population of claims received in 2007.

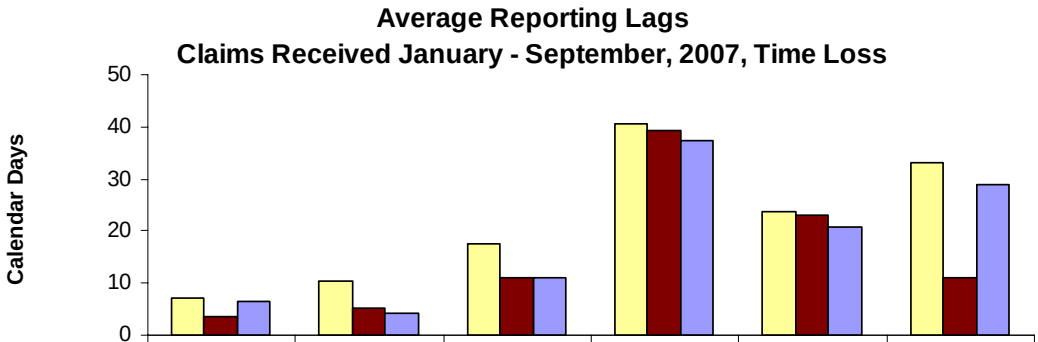
Figure 8



In those cases where a determination is made on EF claims and time loss is due, payments are being made on average at about the same speed as for other state fund claims (excluding COHE claims) (Figure 9). However, the median payment

lag is 20 days from disability to payment for EF claims versus 17 for all other (Figure 10).

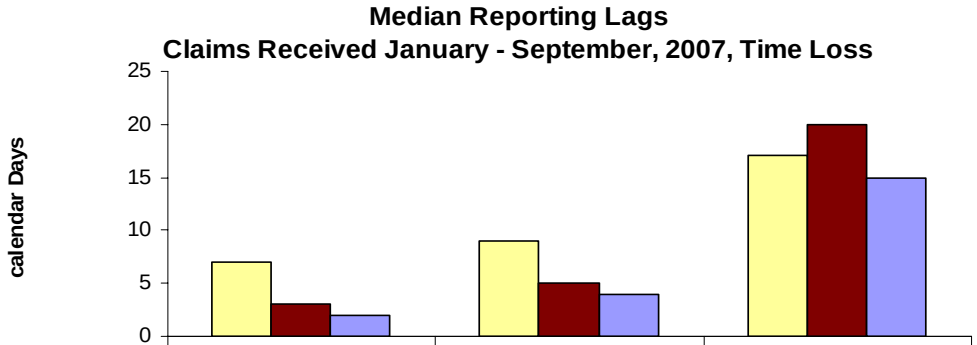
Figure 9



	Injury to 1st Medical Visit	1st Medical Visit to Claim Receipt	Injury to Receipt	Injury to 1st TL Payment	Disability to Payment	Injury to Employer Portion
All Other	7.1	10.4	17.4	40.5	23.8	33.1
EF	3.5	5.2	11.2	39.2	22.9	10.9
COHE	6.6	4.1	10.9	37.2	20.9	28.9

Note: Occupational Disease Claims are excluded. The data is based on the October 2007 L&I data warehouse load. As allowance and disease status can change over time, the numbers presented will differ if run from data extracted at a different point in time. The individual averages are calculated using different sets of claims: A case where the injury date is recorded as being after the 1st medical visit date would be excluded from the calculation of the average days injury to 1st medical visit, however, if this case had a medical visit date prior to claim receipt, it would be included in the calculation of average days 1st medical visit to claim receipt and, if the injury date was prior to the claim receipt date, it would be included in the calculation of the average days injury to receipt. Records with null (missing date values) were also excluded from the calculations of the applicable averages.

Figure 10



	1st Medical Visit to Claim Receipt	Injury to Claim Receipt	Disability to First Time Loss Payment
All Other	7	9	17
EF	3	5	20
COHE	2	4	15

Note: Occupational Disease Claims are excluded. The data is based on the October 2007 L&I data warehouse load. As allowance and disease status can change over time, the numbers presented will differ if run from data extracted at a different point in time. The individual medians are calculated using different sets of claims: A case where the injury date is recorded as being after the 1st medical visit date would be excluded from the calculation of the median days injury to 1st medical visit, however, if this case had a medical visit date prior to claim receipt, it would be included in the calculation of median days 1st medical visit to claim receipt and, if the injury date was prior to the claim receipt date, it would be included in the calculation of the median days injury to receipt.

Conclusion

Employer reporting offers injured workers and employers an alternative system of filing workers' compensation claims for benefits for occupational injury or disease. In the Washington system, this option is not currently resulting in more timely payments to injured workers. However, as with the integration of any new process into an existing system, improvements may come with time. The number of claims filed via employer filing is very small; all findings should be considered with this in mind.

If employer filing were to become a permanent alternative to traditional filing, much more effort would need to be put into the analysis of processes in order to set up a full-scale program to efficiently handle claims filed in this way. The pilot is being conducted without significant investments in technology and process changes. Instead, a special handling process is being used that would not be efficient on a large scale.

Despite intensive effort, the Department had a difficult time recruiting pilot participants. Some employers who signed up initially later dropped out. Others considered participating but never signed up. The reason often expressed for dropping out or reconsidering was that employers felt their loss control and early return to work efforts already worked well and they saw no significant benefit to pilot participation. Although they may learn of potential claims more quickly, they felt the administrative burden and additional responsibilities for educating their workforce and submitting forms was too much for the benefits gained. These employers felt the healthcare reporting system met their needs.

As more claims are received via employer reporting and long-term claim outcomes are examined, suspected benefits of employer reporting may outweigh the extra adjudication efforts that these claims currently require. Further development is needed to determine whether increased early involvement in claim management, and the opportunities that early awareness of a claim offers the employer such as keeping workers on salary and offering light duty, have a positive impact when outcomes of injured workers are tracked over a sufficient period of time.

Appendix

Department of LABOR AND INDUSTRIES

Worker Checklist

Employer Reporting Pilot Project

F242-375-909 [11-2006]

If a Workplace Injury/Disease Occurs

- ☐ You have the right to file a claim either through your employer or through the health-care provider of your choice. If you choose to file the claim through your provider, be sure to notify your employer that an accident occurred.
- ☐ You have the legal right to see a health-care provider of your choice to treat your work-related condition. Your employer cannot direct you to seek treatment from a specific provider.
- ☐ Work with your employer to complete your portion of the report of accident. Make sure your employer has all the information they need to complete their portion of the form.
- ☐ If your portion of the accident form was not submitted to the Department of Labor and Industries (L&I) with the employer section, send it to the L&I address indicated on the form as quickly as possible.
- ☐ Take the health-care provider portion of the report of accident to your provider to complete and submit.
- ☐ Staying in touch with your health-care provider and employer will assist in a speedy recovery and return to work. Your employer may be able to provide light or modified duties during your recovery.
- ☐ Contact L&I if your employer declines to file a claim on your behalf or if you have concerns about your employer's handling of your claim.
- ☐ Check the status of the claim and view claim information online by registering with L&I's Claims & Account Center at www.ClaimInfo.LNI.wa.gov or call your local L&I office.

Department of LABOR AND INDUSTRIES

Employer Checklist

Employer Reporting Pilot Project

F242-376-000 [11-2006]

If a Workplace Injury/Disease Occurs

- ☐ Advise the worker that they have the choice of filing a workers' compensation claim either through you — the employer — or through a health-care provider of their choice.
- ☐ If the worker chooses to file a claim through you, provide him/her with the needed forms.
- ☐ Offer to assist the worker to complete their report of accident form and, if possible, complete your portion at the same time.
- ☐ Advise the worker that they have the right to see a health-care provider of their choice for treatment of their workplace injury/disease.
- ☐ Stress the importance of taking the health-care provider portion of the report of accident to the provider to quickly complete and submit to the Department of Labor and Industries (L&I).
- ☐ Communicate the importance of complete information and facts that will assist in the speedy processing of the claim and benefit payments.
- ☐ Submit the employer portion of the form to L&I within two days of completing it.
- ☐ Follow up with the worker to ensure that he/she has completed and submitted their section of the accident report form and sought medical treatment.
- ☐ Determine if you have some light or modified duties the worker can perform, if indicated, during their recovery period. If so, provide the worker with a copy of the job description to take to his or her health-care provider for review.
- ☐ Work with your worker and their health-care provider in an effort to successfully return the worker to the workplace as soon as possible.
- ☐ Check the status of the claim and view claim information online by registering with L&I's Claims & Account Center at www.ClaimInfo.LNI.wa.gov .

You can now file a workers' compensation claim through your employer

Attention Workers

Employer Reporting Pilot Project

Your employer is participating in a two-year Employer Reporting Pilot Project sponsored by the Department of Labor and Industries (L&I). This means that, beginning January 1, 2007, you have the choice of filing a claim either through your employer or your health-care provider.

The goal of this project is to ensure that we at L&I make claim decisions quickly, and that your employer has the opportunity to work with you early in the claim process.

If you choose to file the claim through your health-care provider, be sure to notify your employer that an accident occurred.

That may mean your employer provides you with a light-duty or modified-duty job you are capable of doing safely while you recover.

This project does not interfere with your right to seek treatment from a health-care provider of your choice, or file a claim through your health-care provider.

For injuries requiring medical treatment, it is important that you file a claim to preserve your right to benefits should the injury get worse.

No matter who files your claim, L&I needs information from your health-care provider before we can authorize your claim. Make sure your provider fills out the medical section of the report of accident and sends it to us promptly.

Do you still have questions about filing a claim through your employer? Speak to your employer or contact L&I at 360-902-6201.

Department of LABOR AND INDUSTRIES

F242-379-909 [11-2006]

Department of LABOR AND INDUSTRIES

Employer Reporting Pilot Project

Questions and Answers for Workers

F242-377-000 [11-2006]

What is the Employer Reporting Pilot Project?

In most states, workers initiate claims for workplace injuries or diseases through their employer. Your employer has volunteered for a pilot project to test this system in Washington. As a worker participating in this pilot, you will have the option of reporting and filing a workers' compensation claim through either your employer or your health-care provider.

Am I required to file a claim through my employer?

No. Your employer should help you understand the potential benefits of filing a claim through them, but you have the option to file through either your employer or the health-care provider of your choice. You need to comply with any company policy on reporting a workplace injury or occupational disease, and remember that you, or someone on your behalf, must report your accident to your employer.

If I can file a claim through my health-care provider, why should I file a claim through my employer?

Filing a claim through your employer has benefits for you, your employer, and the other workers at your company. Your employer will be able to help you file the claim, and since your employer will be involved right away, you won't lose the connection with your employer. It gives your employer a better opportunity to consider putting you in a light-duty job, approved by your health-care provider, or keeping you on salary while you recover. Finally, all your co-workers will benefit, because your employer will know what caused your injury, making it easier to correct any safety issues.

If I file a claim through my employer, will my employer take care of everything for me?

No. Although the employer will assist you, it is still your responsibility to make sure the Department of Labor and Industries (L&I) receives both the worker and health-care provider sections, as it is today.

What if my employer does not submit the worker section to L&I?

The report of accident is designed for the employer and worker to complete together. Your employer must submit the employer section within two days of completing it. You need to make sure that your section is completed and returned to your employer promptly. However, it is your responsibility to make sure that the worker section is completed and received by L&I. This is important to you because L&I cannot initiate a claim based on the employer section alone. We must have the worker section to initiate a claim.

If I file a claim through my employer, will I still have a choice of health-care provider or am I required to go to a health-care provider my employer chooses or suggests?

By law you have the right to choose any qualified health-care provider to treat your injury. Approved providers include medical doctors, osteopaths, chiropractors, naturopaths, podiatrists, dentists and optometrists. Advanced registered nurse practitioners and physician assistants may also provide treatment. Your employer cannot require you to obtain treatment from a specific health-care provider, interfere with treatment or direct the treatment in your claim. Contact L&I if this occurs.

Is an incident report the same as filing a claim?

No. An incident report is often required as part of an employer's accident prevention and risk management program, or required as part of state or federal regulation. If you have a work-related injury or occupational disease and require treatment, you will need to file an L&I report of accident either with your employer or health-care provider of your choice.

Do I have to use my private medical insurance or insurance provided by my employer for a work-related injury or exposure?

If you have a work-related injury or exposure at work, you should be covered under workers' compensation. If your claim is allowed, L&I will pay your medical expenses and any other benefits to which you're entitled. If L&I does not allow your claim, you will be responsible for your medical expenses. L&I will, however, pay for the initial medical visit and for your health-care provider to complete the report of accident form.

Can my employer prevent me from filing a claim?

No. It is your right under state law to file a claim for a work-related injury or exposure. If your employer disagrees with the claim, he or she has the right to protest or request reconsideration and provide additional information that supports their position. Contact L&I at 1-800-547-8367 if your employer declines to file your claim with L&I or discourages you from filing a claim.

Can my employer fire me for filing a claim?

No, your employer cannot take an adverse employment action against you for filing a claim. However, if your injury was a result of unsafe practices or violation of the employer's policies, you may be subject to disciplinary actions consistent with your employer's policies. Contact L&I immediately at 1-800-547-8367 if you need assistance.

If I file a claim through my employer, how will my health-care provider know that I filed a claim with my employer and the claim number?

The accident report forms are all pre-numbered and begin with "EF". You need to inform your health-care provider that you filed a claim with your employer and give them their section of the employer-filed report of accident. Ask that they fill it out and send it to the department right away.

What if my employer and health-care provider each file a claim for my injury or exposure?

We have a process in place to identify when more than one claim is filed for the same injury or exposure. However, it would be helpful if you notify L&I if and when this occurs.

If I file a claim through my employer, when can I anticipate hearing from L&I?

If your injury resulted in your inability to work, you should receive a time-loss benefit payment within 14 days of L&I receiving the worker section and the medical certification from your health-care provider. If you have not received time-loss benefits within 14 days of submitting the claim, please contact the department. If you did not lose time from work, but only required medical treatment, you may not receive notification until the department issues a decision on the acceptance of your claim. You can verify the status of your claim by contacting the nearest L&I office or the L&I Information Hotline 1-800-547-8367. Please refer to your claim number when you contact the department. You may also review your claim information online at www.ClaimInfo.LNI.wa.gov.

Will I be able to provide feedback to L&I regarding my experience with this pilot project?

Yes. L&I will be conducting a confidential survey of workers. However, if you experience problems with filing a claim through your employer, please contact the department or your claim manager immediately.

Who can I call if I have questions about the Employer Reporting Pilot Project?

Contact L&I at 360-902-6201.

Department of LABOR AND INDUSTRIES

Employer Reporting Pilot Project

Questions and Answers for Employers

F242-378-000 [11-2006]

What does 'Employer Reporting' mean?

Currently in Washington State, a workers' compensation claim for a work-related injury or occupational disease can only be filed through the injured worker's health-care provider. Employer Reporting is a two-year pilot program that will give workers at participating companies the option of filing a claim through either the employer or the health-care provider of the worker's choice.

What is the employer's role with employer reporting?

Your assistance to the worker is key to the success of this project. When completing the accident report form, you will need to be sure that your worker understands the process of filing a claim through you. You also need to inform the worker of his or her right to seek treatment from the health-care provider of their choice, and that the provider needs to complete the health-care provider section of the report.

What are the benefits for an employer if the worker files a claim through the employer?

By knowing about an incident and claim early, you can identify safety hazards more quickly and take corrective action. You also will be able to consider whether you have light or modified duty work to offer the worker during his or her recovery, or keep the worker on salary while they recover. These steps maintain the relationship between you and your employee. Reduced disability and safer workplaces will result in lower workers' compensation rates.

Is an incident report the same as filing a report of accident?

No. An incident report is an internal document for a company that often is required as part of an accident prevention and risk management program, or is required by state or federal regulation. If a work-related condition requires medical treatment, the worker will need to file a report of accident with L&I, either through their employer or health-care provider.

Will there be additional work for the employer?

Some. The employer will need to provide the worker with written materials explaining employer reporting, and written confirmation that the worker chose to initiate a claim through the employer. Employers also must provide L&I with logs of on-the-job accidents and exposures, assist L&I in periodic surveys of their workers regarding employer reporting, and provide L&I with information that may be needed for a report to the Legislature.

What is the timeframe for an employer to submit the report of accident?

An employer has two days from the date the employer completes their section to submit it to L&I. Of course, you should complete your section as soon as you are informed of a condition that will require a claim, and you should strongly encourage the worker to complete the worker section before you send the employer section to L&I. The employer may either mail or fax the report. Our fax numbers are **1-360-902-4500** or **1-800-910-5769.**

Continued on reverse

If a worker files a claim through the employer, how will the health-care provider know?

The report of accident forms are pre-numbered and begin with "EF". The worker will need to tell the health-care provider that a claim was filed with the employer and give them the health-care provider section of the report of accident. If the health-care provider also files a claim, L&I has a process in place to identify when more than one claim is filed for an injury or exposure. However, it will be helpful if you notify L&I if and when this occurs.

What if the worker doesn't complete their section of the form?

The report of accident is designed for the employer and worker to complete together and for the employer to submit to L&I. However, it is the worker's responsibility to make sure that L&I receives the completed worker section. L&I can not initiate a claim based on the employer section alone. We must have the worker section. You should take every reasonable step to make sure the worker understands this and to have the worker complete their section before you submit the form.

Is the worker required to file a claim through the employer?

No. The employer can encourage the worker, as part of the pilot project, to file a claim through them. However, it is the worker's choice if they want to file a claim through the employer or health-care provider. Qualified health-care providers include medical, osteopathic, chiropractic, naturopathic, and podiatric physicians; dentists; optometrists; and ophthalmologists. Advanced registered nurse practitioners and physician assistants may also provide treatment. Regardless of whether the worker chooses to file the claim through the employer or health-care provider, the worker, or someone on his/her behalf, is required to inform the employer of the accident that caused the need for medical treatment.

If a worker files a claim through the employer, can the employer direct the medical care and send the worker to a health-care provider of the employer's choice?

No. By law the worker has the right to choose any qualified health-care provider to treat his/her work-related condition. The employer can not require a worker to seek treatment from a specific health-care provider or direct the medical treatment in a claim. L&I will continue to manage all aspects of a claim. If you suggest a health-care provider to your worker or offer to take an injured worker to a particular provider, you must inform the worker of their right to seek treatment from a provider of their choice.

What should I do if a worker comes to me, the employer, to file a claim and I question the validity of the incident? Do I still have to file the claim for the worker?

Yes. If a worker requests to file a claim through you, you must submit that claim. If you have additional information to provide to L&I regarding the claim, you should note that on your portion and attach a separate letter outlining your concerns when you submit the accident report. Be sure to file the claim with your comments questioning the claim validity.

If a worker files a claim through me — the employer— when will I receive the health-care provider's information?

Once L&I receives the health-care provider section of the report of accident, we will provide you with a copy, similar to what we do today. You can also check the status of the claim through L&I's Claim and Account Center at www.ClaimInfo.LNI.wa.gov .

Who can I call if I have questions or comments about the Employer Reporting Pilot Project?

You can contact Sara Spiering, Project Manager at 360-902-5658 or Shirley Morris, Project Lead, at 360-902-6201.

More information can be found on our web site: www.LNI.wa.gov.