

All About Claims

Colorado Department of Labor and Employment
Division of Workers' Compensation
Claims Services Section, 1515 Arapahoe St.
Denver, CO 80202-2117
www.coworkforce.com/DWC

Bill Owens
Governor

Vickie L. Armstrong
Executive Director

Jeffrey M. Wells
Deputy Executive Director

Mary Ann Whiteside
Director



December 2001

Volume 17

All About Claims is a newsletter published by the Colorado Division of Workers' Compensation designed to provide information to claims handlers. Please send comments or suggestions for future topics to JoAnne Ibarra at 303.318.8790 or by e-mail to JoAnne.Ibarra@state.co.us.

From the Director's Desk...

Adjustments to the Average Weekly Wage Rate

By Mary Ann Whiteside, Director

The Court of Appeals in *Humane Society v. ICAO*, No. 00CA0968, April 26, 2001, concluded that when adjusting the average weekly wage (AWW) "after the claimant is terminated from employment and the employer discontinues its partial funding of group health insurance, . . . the AWW should include the amounts contributed by both the employer and the claimant. . . . The General Assembly enacted § 8-40-201(19)(b) to ensure the claimant has sufficient funds available to purchase health insurance, regardless of whether the cost is more or less than the employer's cost of providing similar insurance. The legislature apparently determined that this goal could not be achieved unless the claimant's AWW and resulting temporary disability rate are increased to reflect the claimant's cost of obtaining similar or lesser insurance ." (Cite omitted.)

Keeping up with the Division...

A Notation on Recent Rule Changes

Hearings were conducted before the Director of the Colorado Division of Workers' Compensation for two days in June regarding amendments to the workers' compensation rules, including the medical fee schedule. The Director adopted amendments to Rules XIV - XVIII on October 4, 2001.

Below are several issues from those rules that we believe will be of interest to practitioners in this arena:

1) Division Independent Medical Examination Program (DIME) fees will be \$675 effective December 1, 2001. The effective date for increased IME fees will be determined by the date of the Division's receipt of the Application, not the date the IME is performed.

2) Also, effective December 1, 2001 are changes to Rule XVI on Prior Authorization and Medical Bill Payment Procedures, including creating separate procedures for medical and non-medical contests for prior authorization and

medical bills.

3) Rule XVIII on the Medical Fee Schedule is amended for dates of service on or after 1/1/2002. Among the topics of interest in Rule XVIII are:

Copying Fees - Copying fees will be \$14.00 for the first ten or fewer pages, \$.50 per page for pages 11-40, and \$.33 per page thereafter. Actual postage or shipping can be charged. The cost to copy microfilm will be \$1.50 per page. Although these copying fees mirror the changes made by the Colorado Department of Public Health, these rules apply to both hospitals and physicians.

Deposition and Testimony Fees - Parties should consult the Interprofessional Code for guidance on agreeing upon fees for medical deposition and testimony. If no agreement can be reached then:

1. Deposition fees are not to exceed \$250.60/hour (35 units x \$7.16 = \$250.60)

And, did you know...

a single physician's report will replace three reports previously mandated under Rule XVI, Utilization Standards. Amendments to the rule which go into effect on December 1, 2001, eliminate use of the Physician's Initial Report, WCM1; the Physician's Supplemental Report, WCM2; and the Physician's Report of Maximum Medical Improvement and Impairment, WCM3, in favor of a single, incorporated Physician's Report of Workers' Compensation Injury, WC164. The rule requires that the provider submit the WC164 form to the payer fourteen days from the date of initial service or the date the physician determines maximum medical improvement (MMI) has been achieved. The Division will monitor use of the required form by claims administrators through review of admissions and attachments. Claims administrators should accept only the new form for MMI dates after 12/1/01. A copy of the new Physician's Report WC164 form is shown. Both form and amendments to the rule are available on the Division's website at <http://www.coworkforce.com/DWC>. Further questions may be directed to a Division Claims Manager.

COLORADO DEPARTMENT OF LABOR AND EMPLOYMENT
DIVISION OF WORKERS' COMPENSATION

PHYSICIAN'S REPORT OF WORKER'S COMPENSATION INJURY

A COPY OF THIS REPORT MUST BE SENT TO THE INJURED WORKER AND THE INSURER.

1. REPORT TYPE Initial Progress Closing

2. CASE INFORMATION
 Date of Injury _____ Workers' Comp # _____
 Injured Worker's Name _____ Insurer Claim # _____
 Social Security # _____ Insurer Name _____
 Date of Birth _____ Insurer Phone/Fax _____
 Exam Date _____ Employer Name _____
 _____ Employer Phone/Fax _____

3. INITIAL VISIT (only)
 Injured worker's description of accident/injury _____

 Are your objective findings consistent with history and/or work related mechanism of injury/illness? Yes No

4. CURRENT WORK STATUS Is Working Not Working

5. WORK RELATED MEDICAL DIAGNOSIS (ES) _____

6. PLAN OF CARE
 a. TREATMENT PLAN
 Diagnostic tools/tests _____
 Procedures _____
 Therapy _____
 Medications _____
 Supplies _____
 Other _____
 b. WORK STATUS
 Able to return to full duty on _____ to _____ Unable to work from _____ to _____
 Able to return to modified duty from _____ to _____ Able to return to part time work on _____ for _____ hrs per day

c. LIMITATIONS/RESTRICTIONS No Restrictions Temporary Restrictions Permanent Restrictions

Lifting (maximum weight in pounds) _____ lbs. Walking _____ hours per day
 Repetitive lifting _____ lbs. Standing _____ hours per day
 Carrying _____ lbs. Sitting _____ hours per day
 Pushing / Pulling _____ lbs. Crawling _____ hours per day
 Pinching / Gripping _____ lbs. Kneeling _____ hours per day
 Reaching over head _____ Squatting _____ hours per day
 Reaching away from body _____ Climbing _____ hours per day
 Repetitive Motion Restrictions _____
 Other _____

7. FOLLOW UP CARE AND REFERRALS
 a. Return Appointment Date _____
 b. Referral for Treatment (specify) _____ Evaluation (specify) _____
 Impairment Rating _____ Other (specify) _____
 Referral Appointment to be made by _____
 Referring Provider's Name and Address _____ Injured Worker _____ Referring physician's office _____ Phone Number _____

c. Discharged from care (explain) _____ Discharged for non compliance _____

8. MAXIMUM MEDICAL IMPROVEMENT (MMI)
 Injured Worker has reached MMI Date _____
 Maintenance care after MMI required? No Yes If yes, specify care _____
 Injured Worker is not at MMI, but is anticipated to be at MMI in/on _____
 MMI date unknown at this time _____

9. PERMANENT MEDICAL IMPAIRMENT
 No permanent impairment Permanent Impairment (attach required worksheets and narrative)
 Anticipate permanent impairment Needs referral to Level II physician for impairment rating (see 7 b above)

10. PHYSICIAN'S SIGNATURE _____ Date of Report _____
 Print Name _____ License number _____
 Address _____ Telephone Number _____

WC164 11/00

State of Colorado website
www.state.co.us
Division of Workers' Compensation
www.coworkforce.com/DWC

We've Got Your Number

How Block Numbers and TPA Codes can affect your performance reviews

Does either of the following seem familiar?

Adjuster A always submits timely Admissions and Notices of Contest. He seldom gets complaint calls, and rarely hears from the Division of Workers' Compensation (DOWC). His responses to Applications for Hearings provide for affirmative defenses and include thoughtful lists of witnesses. Adjuster A sleeps well at night.

Adjuster B files Admissions and Notices of Contest three months after the Division sends the Workers' Claim for Compensation to the Carrier of Record. Rejected transmittal sheets and duplicate file consolidations are frustrating and time consuming experiences. Many times the case goes into litigation before the adjuster even knows a claim has been filed. All too often, legal fees are necessary just so that the carrier's attorney can belatedly add an issue or a defense for hearing. This adjuster frequently wakes up at night worrying about penalties.

Why such a difference? The answer may be as simple as timely mail delivery.

What are TPA Codes and Block Numbers and how do they work?

These are two-letter or three-number codes that the Division uses to identify and track mail.

Block Numbers are 3-digit codes assigned to all licensed insurance carriers providing workers' compensation coverage in Colorado and to self-insured employers.

Third Party Administrators (TPAs) are assigned two-letter codes. The same TPA may have several different codes corresponding to different addresses of operations.

A holding company might have a separate code for each of its own insurance companies, as well as TPA Codes for each of its risk management entities and their individual office locations. The adjusters need to know the codes for each

We've Got Your Number *continued*

insurance or self-insured company for which they are providing adjusting services. When the coded documents get here, our system sorts and cross-references them. For each claim, the goal is to identify and record all parties (past and present) involved in the claim along with addresses, phone numbers, carrier claim numbers, and dates of involvement.

This database is used by both the Division of Workers' Compensation and the Division of Administrative Hearings. The system tracks the thousands of documents received every week and allows them to be matched to the proper file. It provides notice to you when an injured worker makes a claim or applies for a hearing. Like most electronic systems, it is only as good as the information it is given. For instance, if we are only given a Block Number for a claim and not a TPA Code, mail will only go to the address on file for the Insurer.

Unfortunately, there are many instances, where months later, the TPA adjuster is still unaware that a claim exists.

What do you need to do to make sure you are timely updated on claim activities?

The best place to start is with your transmittal of the claim to DOWC. You can find detailed Instructions on the back of the form itself and in the DOWC Adjuster Guide (available at www.coworkforce.com/dwc.) If you still have questions after reading these resources, our Customer Service Unit is always available for you (303. 318.8700). The main purpose of the transmittal form is to provide the necessary information for identifying the claim and tracking the par-

ties. Make sure you follow these mandatory steps:

Make sure that each office for which there is a separate address is assigned its own unique TPA Code.

Use a separate transmittal form for each different Block Number.

Indicate on the transmittal sheet whether a carrier, a self insured, or a TPA is submitting the claim.

A TPA must submit both the Block Number of the appropriate insurer as well as its own code.

If a carrier initially submits a claim that will be referred to a TPA for adjusting, make sure that the TPA Code is included on the transmittal.

Make sure all documents are placed in the following order: The First Report should be on top, the position statement (if filed with the First Report) directly under neath, followed by any supporting documents.

Complete the critical adjusting ID elements on the forms. These include: Block Number; TPA Code; policy number; carrier or TPA claim number; as well as the name, mailing address, phone number and fax number of the insurer, self-insured, or adjusting firm submitting the form. Check to make sure the employer included its FEIN on the First Report of Injury.

We cannot guarantee a good night's sleep to anyone, but we can provide timely notice - IF we are given the tools to do so. Transmittals, Block Numbers, and TPA Codes are all tools that YOU can provide so that WE might do a quality job for you. Help us to use them.

A Notation on Recent Rule Changes *continued*

2. Testimony fees are not to exceed \$400.00/hour (A physician is to refund any advanced payments in excess of time actually spent.)

3. Cancellation fees are payable if either the: Deposition is not cancelled at least three (3) business days prior to the deposition, or Testimony is not cancelled at least five (5) business days prior to the hearing.

**Current Workers' Compensation Forms
are available on our website at:
www.coworkforce.com/DWC**

Western Association of Workers' Compensation Boards 30th Annual Convention

The Colorado Division of Workers' Compensation, in association with the Western Association of Workers' Compensation Boards is hosting the 30th Annual WAWCB Convention at the Adam's Mark Hotel in Denver, Colorado May 12th - 15, 2002. The WAWCB is a non-profit corporation consisting of eighteen Western Workers' Compensation agencies. It was organized for the purpose of promoting education and information exchange on Workers' Compensation in the West. Nationally and regionally noted specialists and experts will be speaking about issues affecting workers' compensation. Social activities will include a

tour of the Coors Brewing Company, a visit to Buffalo Bill's Grave and Museum and dinner, music, and dancing at the historical Chief Hosa Lodge. The Division is looking for organizations or individuals who would like to sponsor a break, breakfast, dinner, reception, or portion thereof, during the convention. Exhibitor booths will be available throughout the convention. If you are interested in being an exhibitor or sponsor please contact Kathy Banning at kathy.banning@state.co.us or by telephone at 303.318.8637 at the Division of Workers' Compensation.

ALL ABOUT CLAIMS DECEMBER 2001 VOLUME 17
COLORADO DIVISION OF WORKERS' COMPENSATION
COMPENSATION SERVICES SECTION
1515 ARAPAHOE STREET
DENVER, CO 80202-2117

300300046

❖ Notice ❖

The Division of Workers' Compensation recently adopted emergency rules effective October 15, 2001. These guidelines were enacted in response to the consolidation of the Administrative Law Judges to one location within the Division of Administrative Hearings. This memorandum pertains specifically to the filing of documents at the Division of Workers' Compensation and the Division of Administrative Hearings.

Emergency Rule VIII (L) spells out where documents are to be filed. All matters for the Director's determination shall be filed with the **Division of Workers' Compensation** at 1515 Arapahoe Street, Tower 2, 5th floor, Customer Service Unit, Denver, Colorado. **This includes all settlement documents in which the parties are represented by counsel, unless the settlement was finalized before an Administrative Law Judge, in which case an Administrative Law Judge may approve the settlement documents.** For a complete listing of documents that are to be filed with the Division of Workers' Compensation please review Emergency Rule VIII on our website: <http://www.coworkforce.com/DWC> under Notices of Rule Hearings and Proposed Rules. It is to your benefit to review where specific documents are to be filed.

Effective Monday, December 31, 2001 the Division of Workers' Compensation will no longer forward documents that are to be filed with the Division of Administrative Hearings. Thereafter, documents received by the Division of Workers' Compensation will not be forwarded to the Division of Administrative Hearings, nor placed in the DOWC file.

The State of Colorado mail facility has recently implemented new procedures for processing incoming mail. These procedures will result in a one-day delay of receiving documents that are mailed to us. Please consider this delay when filing time sensitive documents, in addition to inquiring about the receipt of items mailed to us.