



DEPARTMENT OF LABOR AND EMPLOYMENT  
DIVISION OF WORKERS' COMPENSATION  
CLAIMS SERVICES SECTION

October, 1994

Volume 5

There are several contributions to this newsletter which we hope you will find informational. Darius Sams of the Department of Social Services has an article on the collection of court-ordered child support, while Rebecca Greben of the Division of Workers' Compensation Utilization Review (UR) program reviews legislative changes to the UR process. You'll also find a note from the Division's Acting Director, Barbara Kozelka. Since this newsletter is dedicated to providing information to adjusters in the Colorado workers' compensation community, we welcome your ideas on issues which would be of interest to you. Future issues may include a question-and-answer section. Let us know your thoughts on it. On this or any other topic of interest, please contact JoAnne Ibarra at 764-2920.

By Way of Introduction...

by Barbara Kozelka, Acting Director

As Acting Director of the Division of Workers' Compensation, I am pleased to confirm for you that the superior quality services provided by our staff have continued without interruption. Every staff member's dedication to doing an excellent job for the workers' compensation community is evident to me on a daily basis. We look forward to continuing service to you; please let us know your needs, concerns and suggestions.

I have learned more than I could have imagined during my last three years developing the Division's Employer Compliance program and assuming management of the Prehearing Conference Program, the Utilization Review Program, and the Settlements Program. I suspect, once again, I cannot possibly imagine how much I will learn in the upcoming months.

Utilization Review Update

by Rebecca Greben, UR Coordinator

During this past legislative session, several bills were passed which contained sections addressing the Division's Medical Utilization Review (UR) program. This program, codified at §8-43-501, C.R.S., was created in 1988 to provide parties to a worker's compensation case with a tool to evaluate whether medical care rendered to a claimant by a specific provider is appropriate and/or necessary according to accepted professional standards.

House Bill 94-1195, effective June 3, 1994, adds new subsections (e) and (f) to §8-43-501(2). Subsection (e)

prohibits a party from requesting a hearing under the workers' compensation hearing statute, §8-43-207, on issues concerning a change of provider or whether medical treatment given to a claimant is necessary and appropriate, while a related UR case is pending. In other words, a party may not take the issues addressed under UR into the workers' compensation "hearing room" until the UR case is complete. Should a party take those issues properly into a workers' compensation hearing after the UR decision is final, new subsection (f) provides that an Administrative Law Judge may not overturn the Director's UR order unless supported by a preponderance of evidence. The addition of these two subsections appears to be the legislature's response to instances where a party to a UR case has brought the same "provider care" issues into the workers' compensation hearing room, resulting in two rulings on virtually the same issues. The new sections suggest that the UR process be allowed to complete its course while simultaneously proposing to reduce redundancy between the various dispute resolution processes available under workers' compensation.

Senate Bill 94-199 created a new statutory section, §8-43-503, further addressing the utilization review of health care providers. Whereas the "other" UR statute, §8-43-501, has been used to review medical care on a case-by-case basis, this new section appears to respond to business concerns, as presented during legislative committee hearings, concerning *patterns* of questionable health care. Thus, §8-43-503 appears to be directed toward a strategy which permits review of multiple cases involving a specific provider, concluding with an order addressing whether the provider may be removed from the workers' compensation system. This new section is effective as of July 1, 1994, and *applies only to cases where the injury to the claimant(s) occurred on or after that date.*

In recent years UR has been the subject of several Colorado Court of Appeals' decisions which address the statutory provisions governing the process by which a UR decision may be appealed. Several of the issues raised in those decisions, which predate the recent legislation, are now on appeal before the Colorado Supreme Court. At this time the Division cannot predict the effect that the Supreme Court ruling may have on the application of the new and/or amended UR statutes discussed above. Questions concerning this and any issue relating to Utilization Review may be directed to Rebecca Greben (303) 764-2884.

Workers' Compensation/Child Support Enforcement  
Creation of Automated Interface

by Darius Sams, Section Chief, Division of Child Support Enforcement

As you might be aware, Governor Romer signed into effect a new law which could affect you. SB 94-141 was signed by the Governor and became effective on June 3, 1994. One provision of this bill created a new section at §26-13-122, C.R.S., which provides authority for the State Child Support Enforcement (CSE) unit to administratively attach workers' compensation benefits for all obligors, except those receiving permanent partial disability benefits, who are responsible for the support of children on whose behalf the custodians of these children are receiving child support enforcement services from the State's CSE unit. The CSE unit estimates that the partnership among the State CSE unit, Workers' Compensation and insurance companies created by this law will provide an additional \$800,000 per year in child support collections.

The State CSE unit has worked very closely with the Division of Workers' Compensation to develop an automated interface to obtain the names of obligors who have applied for workers' compensation benefits and who also owe a child support obligation. The data elements for the interface have been identified, and a test tape was produced. It appears from the test data that approximately 14% of persons receiving workers' compensation benefits also owe child support arrearages. When the interface is operational (estimate by November 1, 1994) the attachment of benefits will begin with a daily automated tape match between CSE and Workers' Compensation. Workers' Compensation will provide names of all persons who have applied for workers' compensation benefits. CSE will match these names to the CSE obligor data base. Any name that matches will cause the CSE system to produce a "Notice of Administrative Lien and Attachment" which will be mailed to the insurance company providing workers' compensation benefits to the obligor.

After the claim is admitted or adjudicated, the insurance company is required to withhold the amount indicated on the form and remit the payment to the address on the form within ten days after the date of each deduction and withholding. To accurately identify payments, the CSE office needs two unique identifiers to be included with each payment: 1) the Family Support Registry (FSR) account number, and 2) the Insurance Company ID number. Both of these numbers are located on the first page of the "Notice of Administrative Lien and Attachment" form. If these two numbers are not included with each payment, the FSR cannot readily identify the proper case, which delays processing the money.

The statute requires that a judgment for child support arrearages be in place prior to issuance of the "Notice of Administrative Lien and Attachment." Therefore, if an obligor does not owe arrearages, or when the arrearage balance is paid in full but the obligor still owes a current monthly support obligation, the "Attachment" cannot be used to enforce only a current monthly support obligation. Instead, the county CSE office responsible for enforcing the child

support order will send to the insurance company a "Notice to Employer" wage withholding form. Again, the insurance company must withhold the amount indicated on the form and remit the payment to the address on the form within ten days after the date of each deduction and withholding.

When the State CSE unit is notified of a change in the amount of the arrearages or monthly support obligation, a new "Attachment" will be issued to the insurance company to notify them of the required change in the amount of the withholding.

The State CSE unit is happy to provide additional details about this interface. For questions or additional information, please contact Andrea Baugher, Operations Section Chief, at (303) 866-4396.

Proof of Coverage

by Jim Eldridge, Manager of Technical Operations

In order to effect a more complete and timely collection of information on insurance coverage, the Division plans to adopt the National Council on Compensation Insurance's (NCCI) Proof of Coverage System (POC). Currently, insurance carriers are required to report coverage, issuance and cancellation information both to NCCI and the Division. By designating NCCI as agent to collect and transmit the information to the Division, it will no longer be necessary to report directly to the Division, and the reporting process will be greatly simplified for insurance carriers. In addition, we anticipate receipt of more complete and accurate information. As of November 1, 1994, you may stop filing coverage information with the Division. A memo to the carriers will be sent with more specific details.

**JOB OPPORTUNITY**

The Claims Management Unit of the Division of Workers' Compensation is planning to announce the opening of a Claims Manager position (Official Title: Compensation Insurance Specialist II) within the next few weeks. To qualify, you must have:

Education:

- A bachelor's degree from an accredited college or university plus 12 months professional workers' compensation experience.

Substitutions:

- Work experience in one or more of the following may be substituted year-for-year for the required education: public relations, social work, counseling and/or interviewing, job development, personnel administration, insurance or business management.

Salary Range: \$32,556 to \$41,556 per year

Please consult an official Department of Labor and Employment posting for further details. To apply, submit an application form to any Job Service Center.

READ INSTRUCTIONS  
ON REVERSE SIDE  
BEFORE COMPLETION

COLORADO DEPARTMENT OF LABOR AND EMPLOYMENT  
DIVISION OF WORKERS' COMPENSATION  
1120 Lincoln, Denver, Colorado 80203

EMPLOYER'S FIRST REPORT OF INJURY

LABEL

<b>EMPLOYEE</b>	Employee's Name (First, middle, last)			Social Security Number		Sex <input type="checkbox"/> Male <input type="checkbox"/> Female	Employee's Home Telephone No.		<b>DO NOT WRITE IN SHADED AREAS</b>	
	Employee's Street Address			City	State	Zip Code	Occupation			
	Age	Birthdate Mo Day Yr	Marital Status	How long has employee worked for this employer?	Job assigned when injured/exposed?	Length of experience at this assignment?				
	Years of Education Completed (Circle or underline one) 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20				Ethnic <input type="checkbox"/> Asian <input type="checkbox"/> Black <input type="checkbox"/> Hispanic <input type="checkbox"/> White <input type="checkbox"/> Do Not Wish to Answer					
<b>EMPLOYER</b>	Employer's Name			Employer's Federal ID. No.		Employer's Phone No.			Accident Date	
	Employer's Mailing Address			<b>WE NEED YOUR HELP!</b>						Area
	Location if Different From Mailing Address									Sex
Nature of Business (specify)			<p>CURRENTLY THERE MAY BE A DUPLICATION OF EFFORTS RELATED TO CODING OF EMPLOYER FIRST REPORTS. PLEASE <u>DISREGARD</u> THE STATEMENT DO NOT WRITE IN SHADED AREAS AND PLACE THE NCCI (National Council on Compensation Insurance) codes in the following areas:</p> <p style="margin-left: 40px;">OCC (CLASSIFICATION) #1</p> <p style="margin-left: 40px;">SOURCE (CAUSE) #2</p> <p style="margin-left: 40px;">PART OF BODY #3</p> <p style="margin-left: 40px;">NATURE #4</p> <p>YOU CAN EXPECT EXPEDITED INPUT OF THE CLAIM WHEN THE CODING INFORMATION IS PROVIDED. IF YOU HAVE ANY QUESTIONS WITH REGARD TO THIS REQUEST CONTACT HOPE MAESTAS (303) 764-2939.</p>						Accident Time	
Is employee receiving: - Overtime Ave - Commissions Ave - Piecework Ave									Time of Injury	
Employee's Scheduled Week When Injured									Rate of Benefit	
Employee's Usual Work Schedule									Duration	
<b>WAGE INFORMATION</b>	Injury Date Mo Day Yr			<p>Time of Injury</p> <p>Rate of Benefit</p> <p>Duration</p> <p>per week</p> <p>of Applicable</p>						Service
	Did injury cause death? <input type="checkbox"/> Yes <input type="checkbox"/> No									Type
	Date of Death Mo Day Yr									County
	Name, Relationship, and Address of Closest Dependent of Deceased if Injury Caused Death									ANW
<b>INJURY INFORMATION</b>	Injury Description (State exactly the part of the body affected and the nature of injury or illness)									
	Names of Witnesses			Name of Employer Representative Notified						
	Place of Accident/Exposure (See instructions on reverse side)									
	Name and Address of Treating Doctor			Name and Address of Hospital						
What happened to cause this injury or illness? Describe employee's activities when injury or illness occurred with details of how event or exposure occurred (include name(s) of other individuals involved, tools, machinery, objects, vapors, chemicals, radiations, unnatural motions of employee, etc.) Also, specify the items which directly injured the employee and caused the accident or disease.										
Authorized Company Representative (Signature)			Phone No. (include area code)		Position		Date Signed			

THE FOLLOWING INFORMATION IS TO BE COMPLETED BY THE INSURANCE CARRIER BEFORE THIS FORM IS FILED WITH THE COLORADO DIVISION OF WORKERS' COMPENSATION

Name of Insurance Company		Address						
Policy No.	Carrier's No.	Adjuster Code	Date carrier received first report	Block No.	<b>EFR</b>			