

Overview of Workers' Compensation



Division of Workers' Compensation

- Who we are and what we do:
 - Special Funds
 - Insurance
 - Medical
 - Claims
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What is Workers' Compensation?

- Created in 1915
 - “No fault” System
 - Which employers must have insurance?
 - Who is covered by insurance?
 - Independent Contractors
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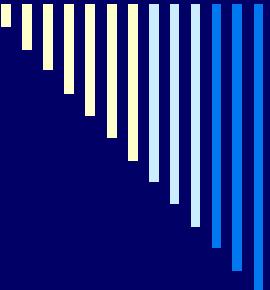
What is a compensable claim?

- **Employee:** Contract of Hire
 - **Course and Scope:** Time, Place and Circumstances
 - **Arising out of:** Causal Connection Between Employment and Injury
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Types of Claims

- Medical Only
 - Lost-Time
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Filing a workers' compensation claim

- Injured worker 4 days to report injury
 - Employer 10 days to report injury to insurer and Division
 - Insurer 20 days to state a position
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2008 Medical Only Summary

| | |
|-----------------|--------|
| □ All Insurers: | 96,100 |
| □ Pinnacol: | 41,500 |



Claims Filed with the Division 2008

| | <u>All Claims</u> | <u>Pinnacol</u> |
|--------------|-------------------|-----------------|
| □ Total: | 34,900 | 12,500 |
| □ Denied: | 8,400 | 2,600 |
| □ Med. only: | 6,800 | 2,400 |
| □ Indemnity: | 19,100 | 7,400 |
| □ No pos.: | 600 | 40 |



Types of Benefits

- Medical Benefits
 - Temporary Disability Benefits
 - Permanent Disability Benefits
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Medical Benefits

- Reasonable, necessary and related
 - Authorized Treating Physician
 - Treatment Guidelines
 - Fee Schedule
 - Disputes (Prior Authorization/Rule 16)
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Temporary Disability Benefits

- Compensation for immediate wage loss
 - TTD = Temporary total disability
 - TPD = Temporary partial disability
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Entitlement to Temporary Disability

- Disability
 - Left work because of the injury
 - More than 3 days of disability
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Payment of TTD

- 66 2/3% of the claimant's AWW
 - AWW = average weekly wage
 - Not exceed 91% of the state AWW
 - Max. AWW = \$1210.86
 - Max. TTD = \$ 807.24
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Payment of TPD

- 66 2/3% of the difference between the employee's AWW at the time of the injury and the employee's AWW during the continuance of the temporary partial disability.
 - Not to exceed 91% of the state AWW.
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Reduction in Temporary Disability Benefits

- Safety Rule Violations
 - Intoxication
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Termination of Temporary Disability Benefits

- Temporary benefits must continue until terminated by law:
 - Statute
 - Rule
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What Happens After MMI?

- MMI – Maximum Medical Improvement Condition is stable and not expected to improve.
 - Determined by the ATP
 - Level I vs. Level II
 - AMA Guides
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Permanent Disability Benefits

- PPD – Permanent Partial Disability
 - Scheduled Impairment
 - Compensation for extremities
 - Rating x # of weeks x \$254.06
 - Whole Person Impairment
 - Compensation for the trunk
 - Rating x age factor x 400 x TTD rate
 - PT – Permanent Total Disability
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Disputes on MMI or PPD

- Final Admission of Liability (FAL)

 - If claimant disputes FAL:
 - Objection
 - Notice and proposal
 - Application for hearing on ripe issues

 - Division IME Process
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The Hearing Process

- Office of Administrative Courts
 - Industrial Claim Appeals Office
 - Colorado Court of Appeals
 - Colorado Supreme Court
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OAC Litigation Statistics 2008

| | |
|-----------------------------------------------|-------|
| <input type="checkbox"/> Hearing Apps. Filed: | 8,531 |
| <input type="checkbox"/> Hearings Held: | 1,082 |