



WORKERS' COMP CLAIMS REVIEW CHECKLIST

9 Must Have, Serious Impact Elements



A claims review is often the only time a structured, planned communication occurs among all stakeholders involved in a claim. This meeting is an ideal opportunity to come together as a team and work to close claims sooner and more effectively.

Setting expectations early in the claims audit/review process is essential, and the importance of communication cannot be stressed enough.

Selection of Claims to Audit

The choice of which claims to include is critically important when preparing for an audit. A company with a small number of claims can include every file in the review, but those with several hundred or greater must have a system to select which claims to analyze.

Rule of 7s

James: *If you're large enough and you have 300 pending claims, there is no use reviewing all 300. One approach is to use the rule of 7s, which is an old actuarial term. What you do is divide the number of claims you have by seven and it works out to be a great sample. This is very easily done with the loss run as you can set the highlighter and go.*

Claims Indicative of Potential Problems

Selecting which claims to include in a review is both art and science. Do not include the names or other personal information about the injured workers during selection to avoid any emotional attachment or influence.

Selection criteria of these claims includes:

- Claims with large reserves, especially if they have been open for more than a year.
- Medical-only claims that have been open for at least six months.
- Claims on which the amount spent is nearly the amount allowed for reserve authority; such as \$49,000 on a claim with \$50,000 claim authority, or \$24,000 in total reserves when the claim authority is \$25,000.
- Large claims that are medical-only.

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Additional unusual or outlier claims to confirm the details are correct.

- A claim with large reserves with a status update that says the file will be closed at the next diary date could be an indicator of a major problem ahead.
- The claim notes state the employee was hit from behind in a traffic accident needs to be reviewed for subrogation.
- Any claim where common sense shows the story of the claim notes and numbers do not add up.

A claims audit / review is a tremendous opportunity to work together as a team and hold parties accountable, which will lead to better outcomes and lower workers' comp costs.

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There are 33 specific areas that can impact a claim, however, the most influential actions that determine the claim outcome occur within the first few days of the injury.

- ✓ Was the claim reported in a timely manner?
- ✓ Was three-point contact maybe within 24-hours? To employer, employee and physician?
- ✓ Was a recorded statement taken?
- ✓ Was medical control established?
- ✓ Were checks issued timely to injured workers? Doing so builds trust.
- ✓ Were state forms filed timely?
- ✓ Was follow up on any further investigation completed?
- ✓ Was there follow up with the employee and employer regarding return to work?
- ✓ Was there follow-up after the first appointment with a medical provider?

James: *The main thing is were checks issued timely to the employees? It carries tremendous weight with the employee when they receive a check and their medical bill is paid. Nothing makes a person happier or establishes trust better than a check received*



Medical Doctor's Crucial Role

The single party most often missing in a claim review is the MD. He or she is the best individual to address the validity of the injury, length of time the employee must take off from work, and an approved form of therapy.

The medical doctor can review and provide guidance regarding:

- Causality and work-relatedness
- Quality of medical care and assure consistent treatment
- Length of disability
- Terminology indicating symptom magnification
- Improved uses of nurse case management
- Use of evidence-based medicine
- Degree of permanency, second injury funds, and legacy claims

The most important element after the time and money spent to prepare and complete the claims review is what happens next? Leave a file review with a detailed plan of action for each claim.



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