WORKERS’ COMPENSATION 101
# Table of Contents

Click any bulleted item below to jump to that slide

- Beacon Mutual & Your Company
- What Exactly is Workers’ Compensation?
- What Exactly is Workers’ Compensation?
- How Premiums are Calculated
- Rate Examples
- Individual Rating
- A Good First Step
- What To Do If a Workplace Injury Occurs – Step 1
- Preferred Provider Network (PPN)
- Preferred Provider Network (PPN)
- Cypress Care/PPN Provider
- Cypress Care/PPN Provider
- Cypress Care First Fill Card
- What to Do If a Workplace Injury Occurs – Step 2
- Information-Only Reports
- Other Information We Need
- What Happens After Reporting
- Lost-Time Claims/Wage Statement
- Three-Day Waiting Period
- Stay at Work/Return to Work (SAW/RTW)
- Stay at Work/Return to Work (SAW/RTW)
- SAW/RTW: Modified & Light Duty
- Light/Modified Duty
- Light/Modified Duty Options
- Light/Modified Duty Procedures
- Beacon Mutual: Here to Help You
- Suitable Alternative Employment
- Right to Reinstatement
- Certificate of Workers’ Compensation Coverage
- Independent Contractors
- Independent Contractors
- Independent Contractors
- Miscellaneous
- Coming & Going Rule
- Beacon Mutual & Your Company
Our approach to workers’ compensation management is based upon a relationship between:

- By working together we can reduce workplace injuries and provide effective, efficient claims management.
WHAT EXACTLY IS WORKERS’ COMPENSATION?

• Program designed to provide benefits to workers who are injured on the job or who contract a work-related illness
• In case of a fatality, the worker’s dependents receive survivor benefits
  – Benefits include:
    • Payments designed to replace a portion of lost wages for time spent away from work
    • Payments for medical care associated with work-related illness or injury.
What Exactly is Workers’ Compensation?

• Who has to provide it?
  – Under the Rhode Island Workers’ Compensation Law of 1999 **all** companies and municipalities with at least one employee

• Who is covered?
  – Every person on the payroll of your company
HOW PREMIUMS ARE CALCULATED

• The National Council on Compensation Insurance (NCCI) computes rates which represent the average results for over 650 classes of business in Rhode Island.

<table>
<thead>
<tr>
<th>Classifications, also called Rates, per $100</th>
<th>Payroll</th>
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</thead>
<tbody>
<tr>
<td>X</td>
<td></td>
</tr>
<tr>
<td>X</td>
<td>Modifier</td>
</tr>
<tr>
<td>X</td>
<td>Premium</td>
</tr>
</tbody>
</table>
Rate Examples

- Industry Classification Examples:
  - Code based on categories of your the kind of business

<table>
<thead>
<tr>
<th>Code</th>
<th>Industry Description</th>
<th>Rate per $100. payroll</th>
</tr>
</thead>
<tbody>
<tr>
<td>4484</td>
<td>PLASTICS MFG MOLDED PRODUCTS</td>
<td>$5.76</td>
</tr>
<tr>
<td>8742</td>
<td>SALESPERSON OUTSIDE</td>
<td>$.74</td>
</tr>
<tr>
<td>7380</td>
<td>DRIVERS CHAUFFEURS &amp; HELPERS</td>
<td>$9.62</td>
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</table>
**INDIVIDUAL RATING**

- **Experience Modification (Called a “Mod” for short)**
  - Used to individualize class rates
  - Is a reflection of your **actual experience** in workers’ compensation as computed by a formula from NCCI

- It is calculated in RI for any company with a premium of $5000.00 or more
  - Determined by looking at the three (3) prior year premiums and losses and comparing them to the expected losses for that industry
    - < 1.00 means that the losses are less than expected
    - > 1.00 means that losses are higher than expected
A Good First Step

- Designate a workers' compensation program coordinator
  - Acts as a point of contact for our claims adjusters.
  - Assists your company in properly reporting injuries in a timely fashion
  - Assists in arranging medical care for injured employee
  - Assists Beacon in implementing and maintaining modified duty arrangements
  - Acts as a conduit to owners, presidents, CEOs, etc.
WHAT TO DO IF A WORKPLACE INJURY OCCURS – STEP 1

• Ensure the injured employee gets proper medical care:
  – Preferably by using a **Preferred Provider Network (PPN)** urgi-center or occupational health facility
  – If the injury or illness requires rescue services, or the employee desires it, please call them immediately
PREFERRED PROVIDER NETWORK (PPN)

• What is it?
  – Urgi-centers, occupational health facilities, and private physicians approved by the R.I. Medical Advisory Board who have agreed to work with Beacon in evaluating and treating work-related injuries

• Why use it?
  – They provide medical documentation to us promptly
    • (Combined medical form, medical notes etc.)
  – They understand occupational injuries and illnesses
  – They use the PPN when additional referrals are needed
  – They participate in the Cypress Pharmacy Care Program
REFERRED PROVIDER NETWORK (PPN)

• Use of urgi-centers & occupational health facilities for initial visit does not restrict the employees' right to see a physician of their choice later
• If employees desire they may return to these facilities for follow-up
• The most updated PPN list is available online at: www.beaconmutual.com
• Facilities are monitored for performance; please report any problems or concerns
Cypress Care/PPN Provider

• Never any out-of-pocket expense for the injured worker
• Access to more than 50,000 pharmacies nationwide

• Ensures the fastest possible response to an injured worker’s initial medication needs, which begins the healing process at its earliest point
• Minimizes administrative tasks and associated costs for employer, adjuster, and injured worker (e.g., phone calls, documentation and other paperwork, etc.)
**Cypress Care/PPN Provider**

- One-use card eschews risks and costs associated with the potential for unauthorized/Good Samaritan fills
- First-Fill Card is designed to enable a smooth transition to the Cypress Care Retail Pharmacy Service for ongoing medication needs, if necessary
- Cypress Care handles all transactions with our network pharmacies and we pay all charges on employee/carrier’s behalf
CYPRESS CARE FIRST FILL CARD

Key Points:
- Confirm Beacon Mutual as the carrier
- Complete card for patient
- Explain first fill purpose
- Avoid ongoing coverage or Retail Program commitments

Group Number: BEACONMUTUALFF
Member ID: Last 4 digits of SSN + DOB, No spaces (i.e., 9999090206)
Member Name: Injured worker’s first & last name
Employer Name: 
Date of Injury: 

Pharmacy Help Desk 1-800-419-7191
WHAT TO DO IF A WORKPLACE INJURY OCCURS – STEP 2

• Reporting a work-related injury is required by state law

• Report the injury/illness within 24 hours
  – Online claim reporting through beaconmutual.com or BEACONNECT, our secure web portal
    • Immediate confirmation with claim number, claim representative name, phone number and email
  – 1-888-886-4450

• If the injury is serious, or a fatality, please call 911 and Beacon immediately
INFORMATION-ONLY REPORTS

- You should always document a work-related incident!
- Occasionally, no outside medical attention is needed for minor injuries or incidents where there is no obvious injury
  - These situations should be documented as INFORMATION ONLY reports. You may keep them in your files or send to Beacon as “Information Only”
- This documentation will be helpful should the incident develop into a claim at a later date
Other Information We Need

• When reporting an injury we will also need your answers to the following questions:
  – Did the accident/injury arise out of and in the course and scope of the employment?
    *(There are gray areas here, your program coordinator can help with this question)*
  – Was there an incident? Or is the injury/illness not obviously tied to a specific event?
  – Is the injured worker an employee?
  – Give us your opinion of claim and injured employee?
What Happens After Reporting

• Reporting an injury/illness does not automatically mean that Beacon has accepted the claim

• Non-Prejudicial Agreement:
  – Allows further investigation as to the compensability of the claim
  – 13 weeks of indemnity payments without accepting liability
  – Ability to unilaterally suspend benefits
  – Termination of benefits must be sent within ten (10) days after benefits have stopped
Lost-Time Claims/Wage Statement

• If a lost-time claim is determined to be compensable it is placed on a Memorandum of Agreement (MOA) which is formal acceptance of workers' compensation compensability

• A wage statement will be requested from your program coordinator
  – It must be completed and returned promptly to avoid unnecessary delay of payment to the injured employee

• Injured workers are reimbursed at a state-mandated rate, which is approximately 75% of the net weekly wage, with slight changes due to marital status and number of exemptions/dependents

Return to Table of Contents
Three-Day Waiting Period

- Rhode Island law
- If the employee was paid for the remainder of the injury day, then the waiting period begins the next day
- The waiting period is three calendar days based on a calendar week
- We begin paying the employee on Day Four
Research has shown that the longer a person stays out of work the less likely it is that they will return.
STAY AT WORK/RETURN TO WORK (SAW/RTW)

• A Stay-at-Work/Return-to-Work program enables employers to retain their most valuable resource: the skills, knowledge and experience of their employees

• At the same time, injured workers stay engaged with their workplace through modified or light duty

• Having a formal SAW/RTW program in place
  – Reduces workforce interruption
  – Reduces costs associated with production loss and absenteeism, and workers’ compensation insurance costs for the employer
  – Allows employees to retain salary and benefits and minimize life disruption
SAW/RTW:
**Modified & Light Duty**

- Allows the employee to return to full work status as quickly as possible in a safe and medically responsible way
- Modified duty provides the injured employee with a temporary work opportunity when they have not yet been released by their treating physician for regular duty
- Modified duty restrictions are *ALWAYS* determined by the treating physician
LIGHT/MODIFIED DUTY

- Decreases workload on other employees
- Reduces Indemnity cost
- Discourages fraudulent claims
- Avoids replacement and training costs of hiring a new employee
- Facilitates faster recoveries – both psychologically and physically
- Increases company morale and keeps injured employees in contact with co-workers and friends
LIGHT/MODIFIED DUTY OPTIONS

• RTW programs are flexible
  – Adjustments can be made for number of days, hours per day worked
  – Adjustments to job tasks, job locations, creation of new jobs etc.
  – Any combination of the above
Light/MODIFIED Duty Procedures

- Inform employee of the modified duty restrictions
- Never change or modify restrictions without first consulting with your program coordinator/claims adjuster
- Never allow an employee to modify or remove their restrictions without consulting your program coordinator/claims adjuster
- Never allow an employee to return to full duty without first obtaining the treating physician’s written documentation and confirmation by your program coordinator/claims adjuster
Beacon Mutual: Here to Help You

- SAW/RTW experts to help you develop a program that works for your company
- We make “house calls”
- Schedule a visit today from our SAW/RTW experts
Suitable Alternative Employment

• Suitable Alternative Employment vs. Modified Duty
  – SAE is a formal process (written notification to Dept. of Labor) usually needed if employee is uncooperative or represented legally
  – Light/Modified duty is less formal and works well with motivated cooperative employees
Right to Reinstatement

- Requires the employer return the employee to their prior job status with no loss of position or status

Right to reinstatement (28-33-47) does **not** apply for:

- Seasonal or Temporary Employees
- Employees hired from a Union Hall
- Nine (9) or fewer employees
- Probationary period of 91 days or less

Return to Table of Contents
Certificate of Workers’ Compensation Coverage

- Rhode Island law requires that any company with at least one employee provide workers’ compensation insurance.
- If a company you are doing business with does not have their own workers’ comp coverage you will likely be responsible for a claim by one of their injured employees even though they are not your employee.
- When employing the services of ANY outside company obtain a copy of their workers’ compensation coverage via this specific certificate.
- Certificates of workers’ compensation coverage are provided by the insurance carrier or their agent.

Return to Table of Contents
INDEPENDENT CONTRACTORS

• There are specific rules designating who is an employee and who is an independent contractor

• “Independent Contractor” is a person who files a form (DWC-11-IC) with the RI Dept. of Labor and Training

• You should always obtain a completed DWC-11-IC form from an independent contractor

• Ensure that the form has been filed with the RI DLT

• You may file the form directly once completed by the independent contractor
INDEPENDENT CONTRACTORS

• For more information about independent contractors and necessary forms, please visit the RI Department of Labor & Training Workers’ Compensation page: www.dlt.ri.gov/wc

• Fraud statutes have been amended to include prosecution of employer, (as a felony) for coercion to have employees use form
INDEPENDENT CONTRACTORS

• Obtaining a copy of the DWC-11-IC form alone is not sufficient to “prove” a person is an independent contractor

• Independent Contractors:
  – Provide own transportation, supplies, tools and control manner of their work
  – Schedule their own hours and days
  – Set prices, and bill by invoice
  – Have General Liability insurance and business license
  – Have no taxes or withholdings withheld, nor be listed as an employee

Return to Table of Contents
**MISCELLANEOUS**

- **Non-Work Related Injuries:** If an employee reports to work with an injury sustained outside of work, you should determine if their job duties could make the injury worse.

- **Medical Documentation:** Never allow an employee to return to work without a medical note.

- **Work Status:** Always share information and any change in an employee’s work status with your program coordinator and claims adjuster.
Coming & Going Rule

• Traditionally assumed that employees are not covered when coming to, or leaving work

• There may be exceptions, however!
  – There may be special circumstances in which Beacon determines that it is appropriate to accept compensability

• Always report injuries and allow us to help determine these issues
BEACON MUTUAL & YOUR COMPANY

Working together to provide quality, cost effective, workers’ compensation coverage