



WORKERS' COMPENSATION 101



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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.

Classifications , also called Rates, per \$100	
X	Payroll
X	Modifier
Premium	



RATE EXAMPLES

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

4484	PLASTICS MFG MOLDED PRODUCTS	\$5.76 per \$100. payroll
8742	SALESPERSON OUTSIDE	\$.74 per \$100. payroll
7380	DRIVERS CHAUFFEURS & HELPERS	\$9.62 per \$100. payroll



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)** urgent-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**



PREFERRED 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



Dear Injured Worker,

Cypress Care has been selected by Beacon Mutual to assist you in acquiring prescription drugs related to your workers' compensation claim. This form enables you to fill prescriptions written by your authorized workers' compensation physician for medications related to your injury.

Simply fill in the form below and **present it at the pharmacy** at the time your prescription is filled. This form guarantees that you will have **no out-of-pocket expenses**.


For your convenience, Cypress Care has an extensive network of retail pharmacies. You may use your local pharmacy to process your prescription, or call our toll free number to identify additional network pharmacies in your area. You may also visit our website at www.cypresscare.com and use the pharmacy locator on the home page.

If you have any questions, or would like to learn about our convenient home delivery service, please call our toll free customer service number: **1-800-419-7191**.

Sincerely,

Cypress Care
Patient Care Coordinator

Please note: This form allows a one date of fill with a cost maximum of \$150.00 per prescription and no more than a 14-day supply per prescription. Once your claim has been reviewed, you will be sent a new card in the mail.



Bin #: **010876**

Group Number: **BEACONMUTUALFF**

Member ID: Last 4 digits of SSN + DOI; No spaces
(i.e. 9999050206)

Member Name: Injured worker's first & last name

Employer Name:

Date of Injury:

Pharmacy Help Desk 1-800-419-7191

Group Number: **BEACONMUTUALFF**

Member ID: Last 4 digits of SSN + DOI; No spaces
(i.e. 9999050206)

Member Name: Injured worker's first & last name

Employer Name:

Date of Injury:

Pharmacy Help Desk 1-800-419-7191

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



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



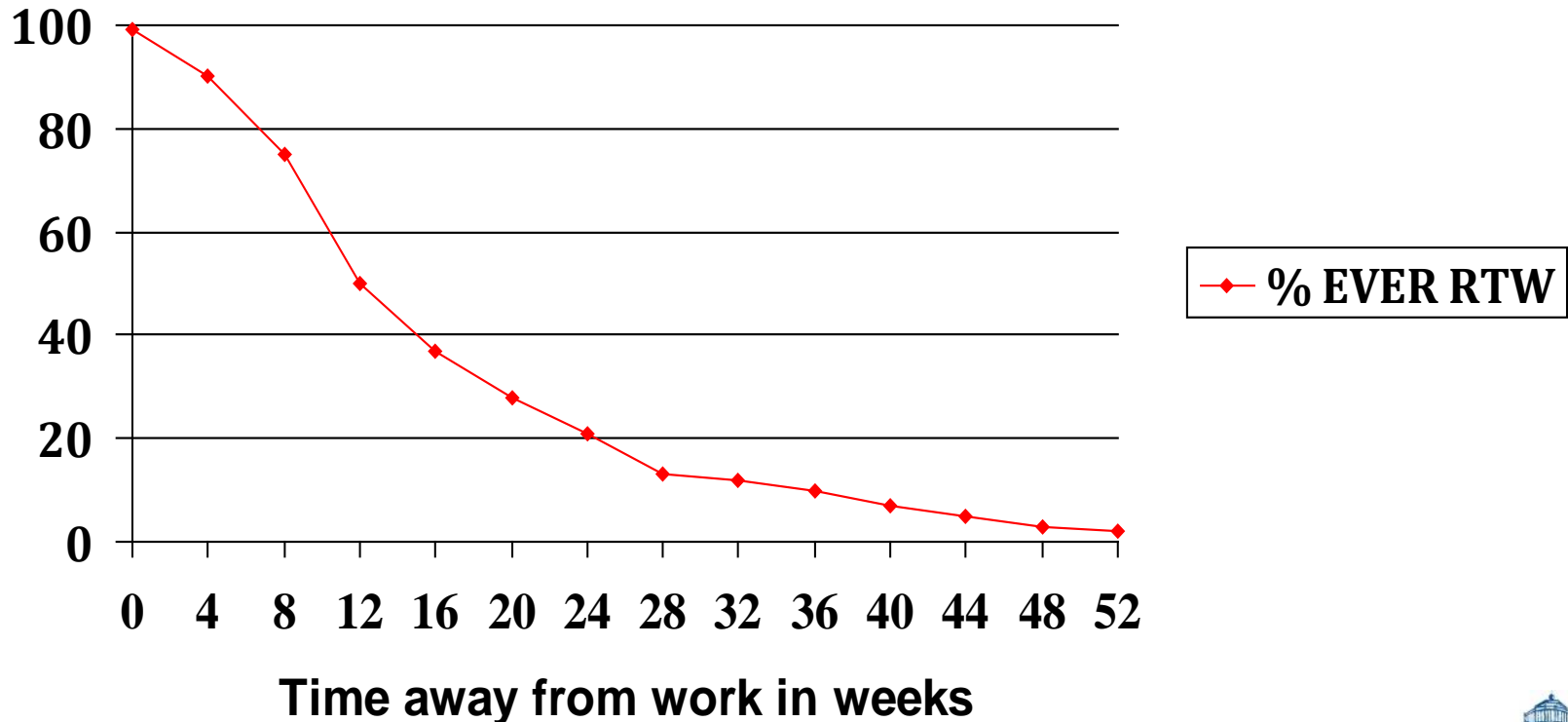
THREE-DAY WAITING PERIOD

- 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



STAY AT WORK/RETURN TO WORK (SAW/RTW)

- 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 with out 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



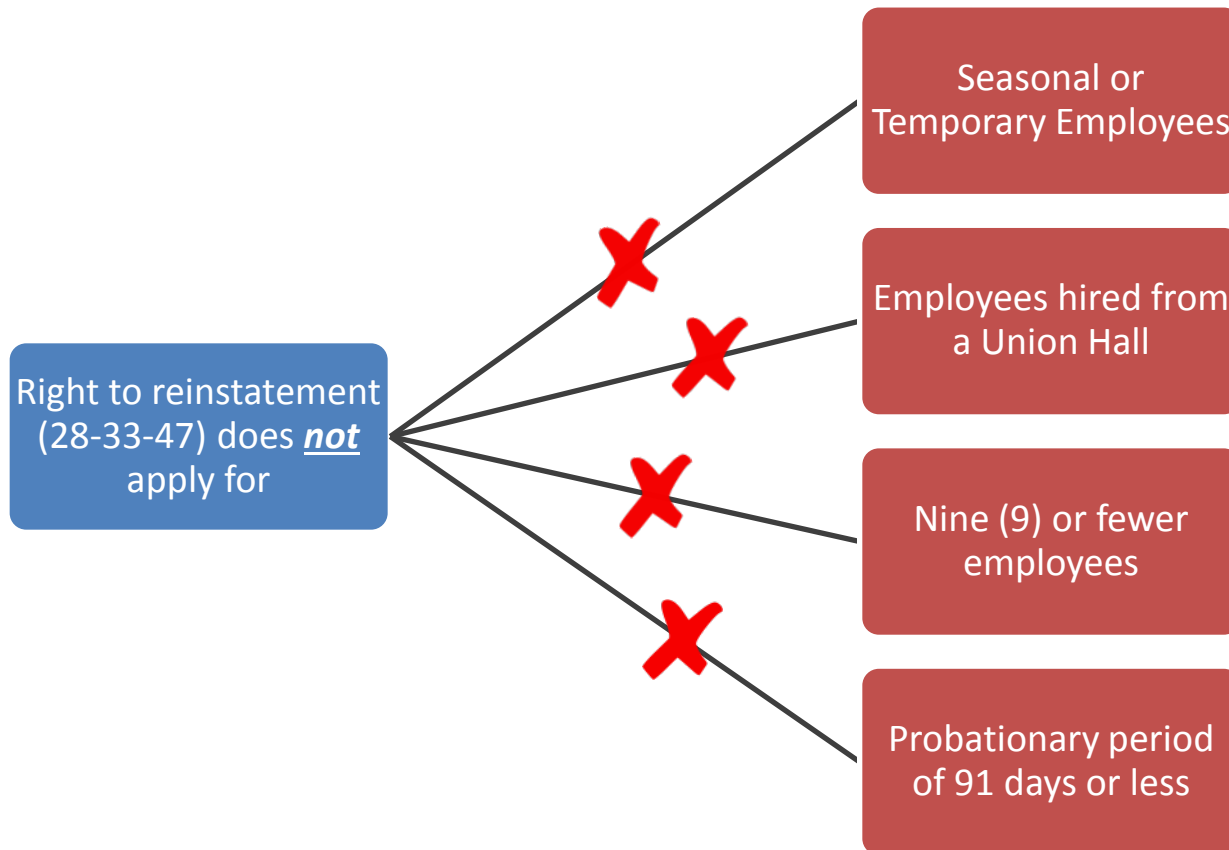
SUITABLE ALTERNATIVE EMPLOYMENT

- 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



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



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

RI Department of Labor and Training
Workers' Compensation

DLT Labor Market Information Temporary Disability Unemployment Insurance Workers' Compensation Workforce Development Workforce Regulation and Safety

WC Home Education Donley Center Injured Worker Employer Insured/Adjuster Independent Contractor Forms FAQs Contact WC

Find Coverage
File a Claim
Rehabilitative Services
Report Employers with no Coverage
Report Fraud
Independent Contractor Search - Online Filing
Find Medical Fees
Find Hospital Rates
Become an Adjuster
Find Info Letters

Workers' compensation is insurance to provide medical expenses and lost wages to employees who are injured while working. Employers are required to have workers' compensation insurance to cover these benefits.

The Division of Workers' Compensation monitors the workers' compensation system, ensuring that appropriate documents are filed to protect injured workers and employers, that claims are paid correctly, that all required employers have **insurance coverage**, and that insurance carriers **report policy information** to the Division. The Division also compiles information about injuries and costs, provides **educational services**, and investigates **fraud**. The John E. Donley Rehabilitation Center provides physical and vocational rehabilitation services for injured workers.

NOTICE OF PROPOSED ASSESSMENT RATE
OSHA UPDATE: New Reporting Requirements Started January 1, 2015

Real time Independent Contractor Search

RESOURCES

Español (Spanish)

Order 2014 Medical Fee Schedule

Employer Posters

Forms

Publications

FAQs

Laws, Rules and Regulations

Directions

EDI Information

LINKS

Workers' Comp Court

Misclassification of Employees as Independent Contractors

Several other agencies are also involved with workers' compensation. The **Workers' Compensation Court** handles legal disputes. The **Medical Advisory Board** provides oversight and guidance for medical treatment of workers' compensation injuries. The **Department of Business Regulations** regulates the rates and licenses of insurers who write workers' compensation insurance.

RI Department of Labor and Training
Workers' Compensation
Center General Complex
1515 Pontiac Avenue, Cranston, RI 02920

Phone: (401) 462-8100
Fax: (401) 462-8105
TTY: via RI Relay: 711
7/24/15 MOP

DLT is an equal opportunity employer/program. Auxiliary aids and services available upon request.



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



MISCELLANEOUS

- **Non-Work Related Injuries:** If 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

