



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Department of Labor and Training
Division of Workers' Compensation
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Insurance Provider Report for Injuries in 2008

The RI Division of Workers' Compensation has produced insurance provider reports annually since 2000. Individual reports are sent to each insurer. The goal of the report is to identify areas of reporting that need improvement. The report identifies these areas of concern: injury counts and composition, timeliness and accuracy of first reports of injury, document filings, and payment issues.

The Insurance Provider Reports include information on insurance company groups, self-insured employers and self-insured municipalities. Used here, the term "insurance provider" refers to all these entities. Insurance providers with 0.05% or more of the total number of injuries for the year 2008 are included. A total of 65 insurance providers were included this year.

Individual Insurance Provider Reports for each of the 65 insurers are sent to the respective insurance providers. The individual Insurance Provider Reports indicate whether the composition of indemnity and active indemnity are close to the figures for all 2008 injuries. They also include rankings for timeliness and accuracy of first reports, document filings, and payment issues.

On individual Insurance Provider Reports, each insurer is ranked based on the percent of injuries with problems or concerns in each of those categories. The insurer with the best performance (lowest percent of injuries with problems) is ranked 1. The insurance provider with the highest percent of injuries with problems is ranked 65.

An Insurance Provider Report for all 2008 injuries is included as part of this document. Compare an individual provider report with the report for all providers to determine how well the individual provider performs with respect to all other providers. The report for all injuries does not include rankings. An analysis of this year's information follows the report for all injuries.

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Insurance Provider Report for All Rhode Island Injuries
 Injuries January 1, 2008 through December 31, 2008

Number of injuries for this insurance provider:	23,132
• Number of indemnity injuries	6,097
• Percent that are indemnity.	26.4%
• Number of active indemnity injuries (receiving weekly compensation benefits)	1110
• Percent of indemnity injuries that are active.	18.2%
• Number of closed indemnity injuries (not receiving weekly compensation benefits)	4,987
Number of injuries with first report late or missing	3,531
• Percent of injuries with first report late or missing	15.3%
• Insurer's rank for timely and accurate filing of first reports.	N/A
Number of indemnity injuries where documents other than the first report are missing or have errors	2,986
• Percent of indemnity injuries with other documents missing or with errors	49.0%
• Insurer's rank for timely and accurate filing of other documents.	N/A
• Details on missing and inaccurate filings:	
• Number of indemnity injuries lacking statutory authorization to begin compensation	104
• Number of closed indemnity injuries lacking statutory authorization to end compensation	193
• Number of closed indemnity injuries lacking final report of payment	613
• Number of closed indemnity injuries lacking itemized statement	1,401
• Number of active indemnity injuries under a nonprejudicial agreement beyond the statutory 13 week limit.	191
• Number of indemnity injuries lacking information needed to determine the correct compensation rate	1,570
Number of closed indemnity injuries with payment concerns	2,095
• Percent of closed indemnity injuries with payment concerns	42.0%
• Insurer's rank on closed indemnity injuries with payment concerns. Three insurers show active indemnity injuries only and could not be ranked.	N/A
• Details of payment concerns:	
• Number of closed indemnity injuries lacking indemnity payment details from a report of payment.	499
• Number of closed indemnity injuries lacking indemnity payment summary information from an itemized statement.	1,335
• Number of closed indemnity injuries where the indemnity reported on the report of payment is significantly different than the amount reported on the itemized statement.	186
• Number of closed indemnity injuries showing a significant overpayment.	176
• Number of closed indemnity injuries showing a significant underpayment.	224

1. Number of Injuries.

- a. All Injuries. 23,132 injuries were reported to have occurred in 2008.
- b. Indemnity. An injury is classified as indemnity when documentation shows any indemnity payments are due or were paid.
- c. Percent of injuries that are indemnity. This figure shows the percent of all injuries which are classified as indemnity.
 - i. Indemnity injuries make up 26.4% of 2008 injuries in RI.
 - ii. A percent over 36.4% or under 16.4% should be investigated. If an insurer's percent is over 36.4%, it is likely that non-indemnity injuries are not being reported, and the insurer's client employers would be subject to penalties. A percent less than 16.4% may be due to reporting incident-only injuries, for injuries with no time lost and no medical treatment. First Reports on incident-only injuries are not required, but an employer or insurer may choose to file a first report in case medical treatment is required at a later date.
- d. Active Indemnity Injuries. An indemnity file is considered active when the injured worker is receiving weekly compensation benefits. An injury is classified as active indemnity when documents filed indicate indemnity benefits are being paid, and it is not reclassified as closed until we receive information that indemnity payments have ended. Expense payments may continue, and the claim administrator's file may still be classified as "open" for their own purposes. A high percent of active indemnity injuries suggests that closing documents may not have been submitted.
 - i. For all 2008 injuries, 18.2% of indemnity injuries are active.
 - ii. When the percent of active indemnity injuries for an insurance provider is over 28.2%, it is likely that the end of indemnity benefits has not been reported as required.
- e. Closed Indemnity Injuries. An indemnity file is considered closed when weekly indemnity benefits have ended or a lump sum settlement has been ordered. Three insurers show no closed indemnity injuries. This may be due to a failure to submit any of the required closing paperwork on active injuries.

2. Number of Injuries with First Report late or missing. Providing basic information on the injury is a critical step in both claims processing and information gathering. First Reports of Injury must have sufficient information to be processed to be counted as received.

- a. First reports were late or missing on 15.3 % of 2008 injuries.
- b. 17 of the 65 insurers included show less than 10% of first reports late or missing.
- c. 10 of the 65 insurers included show 40% or more late or missing first reports, with 2 showing more than 70%.

3. **Number of Indemnity injuries where documents other than the first report are missing or have errors.** The rate of compliance for document filing on indemnity claims is poor. These figures show some of the problems uncovered.
- a. For 2008, 49% of indemnity injuries show problems with filings. While this is a significant improvement from 2006 where the rate of problems was 71.5%, it is very close to the 2007 figure of 50.3%.
 - b. The target rate for document filing problems is 20% or less.
 - c. 12 of 65 insurers listed show 20% or less of indemnity injuries with filing problems.
 - d. 40 of 65 insurers listed show 50% or more of indemnity injuries with filing problems.
 - e. Authorization to begin compensation is missing. 1.7% of indemnity injuries lack a legal authorization to start compensation, such as a nonprejudicial agreement, memorandum of agreement or court order.
 - f. Authorization to end compensation is missing. 3.9% of closed indemnity injuries lack a legal authorization to end compensation, such as a termination of benefits, suspension agreement and receipt, or court order.
 - g. Final report of payment is missing. 12.3% of closed indemnity injuries are missing a final report of payment or termination of benefits form. The details of indemnity payments are reported on this form.
 - h. Itemized statement is missing. 28.1% of closed indemnity injuries are missing an itemized statement. The summary of indemnity payments and expenses are reported on this form.
 - i. 33 of 62 insurers have 20% or fewer closed injuries lacking an itemized statement
 - ii. 15 of 62 insurers have 50% or more closed injuries lacking an itemized statement
 - iii. 3 of 65 insurers show only active indemnity injuries.
 - i. Active indemnity injuries under a nonprejudicial agreement beyond 13 weeks. Indemnity benefits may be paid under a nonprejudicial agreement for 13 weeks. 17.2% of active injuries show a period of indemnity beyond 13 weeks. For those injuries, a termination of benefits or memorandum of agreement is required.
 - j. Indemnity injuries lacking information needed to determine the correct compensation rate. 25.7% of indemnity injuries lack information necessary to verify that the compensation rate is correct.
 - i. 29 insurers have 20% or fewer indemnity injuries with compensation rate problems.
 - ii. 25 insurers have 40% or more indemnity injuries with compensation rate problems.

4. Closed Indemnity Injuries with Payment Information Concerns.

Reporting the payments made for injuries is essential for regulation and to identify trends and problems in the workers' compensation industry. A marked improvement in payment reporting is needed.

- a. 42% of closed indemnity injuries show problems with payment information.
- b. 10% of closed indemnity injuries did not provide indemnity payment details on a report of payment.
- c. 26.8% of closed indemnity injuries did not provide a summary of indemnity benefits on an itemized statement.
- d. 3.7% of closed indemnity injuries show more than 10% difference in the amount of indemnity reported paid on reports of payment and itemized statements.
- e. 3.5% of closed indemnity injuries show a significant overpayment.
- f. 4.5% of closed indemnity injuries show a significant underpayment.

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