



Workers' Compensation

Required by Federal Law but Regulated by State law.

Workers' Compensation was created by the US government in 1983 to offer litigation protection against companies being sued for workers' injuries. It also offers specific compensation and medical remedies for injured workers. From the employer's perspective, *workers' compensation* eliminates the possibility of litigation that could lead to a large damage award. Companies have the option of not buying into this program. This is called “*opt-out*” of a workers' compensation program. If they choose this route, the injured worker can sue them. Companies must post bonds to manage any lawsuits if they do not buy into a state workers' compensation program.

States have enacted “*state-specific*” workers' compensation rules and regulations. These rules cover all aspects of workers' compensation in a particular state. Important to know is which AMA Guides to permanent impairment book is used to resolve a case. There is a list of the states and their requirements under the “*resource*” tab on the www.wpirs.com website. This list will also indicate critical information about the state laws as well as which states use what edition of the AMA Guides (or not) to evaluate injured workers. Some states have chosen “*state-specific*” guidelines.

Physician's Role in the workers' compensation programs.

Physicians play a critical role in workers' compensation. Both in the initial evaluation of a medical evaluation and as an expert in how to perform an MMI (maximum medical improvement) as well as an Impairment Rating, at the end of the case. Different states have different terms and rules for the final evaluation.

I.e.: QME is for CA, PPD is for NV, and DD is for TX as an example. Each state varies.

You must learn the rules and regulations in your state for workers' compensation.

There is a specific process when you are initially evaluating an injured worker. It is plausible that the accident happened this way or is there another possibility? Be specific in your questions.

Is it a preexisting injury that has been aggravated? The AMA Guides (all editions) can help you understand your role, as well as what you need to do to address these issues.

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Important aspects are Causal relationship, Diagnosis, prognosis, evidenced-based test to confirm the diagnosis and need for rehabilitation. Physician education is especially important and, in some states, mandatory. You may be asked to perform an MMI and an Impairment Rating. Make sure your documentation is correct and evidence-based.

Of note:

Mistakes in Impairment Rating (IR) calculations were found in over 80% of the reports reviewed by independent physicians (all editions). Seventy percent of the impairment ratings were rated too high and 30% too low. These numbers have a significant impact on the finances of the patient, the employer, the insurance carrier, and the state.

This is a challenging process and not for the faint of heart. Investigations, precision, and solid report-writing techniques are critical. This is when a software program like WP5 can help perform the IR calculations in your report. It also provides references to each page where information was calculated. (check sample reports on the body parts of WP5 at www.wpirs.com) When the report is comprehensive and references all findings back to the page on which they were calculated the rejection of your IR reports is extremely minimized. The payment is made more timely.

You must help control the cost, not hurt the patient but offer the truth based on your medical knowledge, investigation, findings, and calculations.

If the cost of the final injury is over \$25,000 the federal rules state this case may be assigned to a (MSA) Medicare Set Aside program. This means that the future medical costs of the claim will be calculated, and insurance companies are obligated to “set aside” future money to manage the medical cost of the claim. In the past, insurance companies were instructing people to file for Medicaid help. The US gov realized what was happening based on their research and created the MSA rule to control the illegal use of medical costs by the government.

Need more help? Email us at info@wpirs.com We are the experts and here to help.

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