

Manager/Supervisor Risk Management

#46– 4/17/12

A twice weekly e-mail training for YCPARMIA members

TOPIC: WORKERS' COMPENSATION – CONCLUDING THE WC CLAIM

A WC claim starts when an injured worker submits a claim form (DWC 1). There are five common ways for the claim to end.

- A denial: When there is no medical treatment and no lost time, or when the claim is determined not to be compensable, then there are no benefits to be paid so the claims examiner will issue a denial letter, and close the file. This happens on about 10% of YCPARMIA's files.
- Simply close the file: Following medical treatment, if the doctor declares the injured worker permanent and stationary with no lost time, no permanent disability, and no need for future medical treatment (the classic medical-only claim) the examiner will simply close the file; it can be reopened in the unlikely event that further medical treatment becomes necessary. This is by far the most common method to conclude a claim, and probably represents over 80% of YCPARMIA files.
- Settlements:
 - Stipulation with Request for Award (Stip): This is an agreed settlement where all benefit issues are resolved, and the right to future medical treatment is left open. The settlement is not made until after the doctor declares the worker permanent and stationary, and the right to TD, PD and future medical treatment has been decided. The agreed PD award is paid out on a weekly basis as laid out by statute. There is no time limit on the open/future medical benefits, so a file can stay open indefinitely (our oldest open future medical file has a 1981 injury date). All Stips must be reviewed and approved for adequacy by the WCAB/WC Judge.
 - Compromise and Release Agreement (C&R): This is the other way of settling a claim. It is similar to a Stip, but includes a payment for anticipated future medical benefits. The net proceeds of the C&R settlement are paid in a lump sum instead of over time. A C&R transfers the obligation (and funds) to pay for future medical treatment on the settled claim to the injured worker. While there are procedures to allow it, Medicare issues make a C&R settlement rare for workers over 60. Again, like with a Stip, the C&R must be reviewed for adequacy and approved by the WCAB/WC Judge. A C&R is our preferred method of settling a claim; it gets the file off of our books.
 - Stips or C&R's are probably used on less than 10% of YCPARMIA's files. Within 5 years of injury, an injured worker can bring a motion to rescind a Stip or C&R by filing a petition with the WCAB for "new and further disability." It must be based on "good cause." These petitions are relatively rare on our files.
- A trial before a WC Judge is the final way of concluding a claim; we may see a couple a year.

Next topic: Government Code Claim Procedures