

Summer 2005

MAE News: Newsletter from the Office of Monitoring, Audit and Enforcement, Summer 2005

Maine Workers' Compensation Board

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MAE News

**Newsletter from the Office of Monitoring, Audit and Enforcement
Maine Workers' Compensation Board**

Summer 2005

Volume 1, Number 2

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Enforcement
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Change to "Open Training" Seminar Schedule

Due to a scheduling conflict, the open session that was originally scheduled in the Board's Portland Regional Office for Tuesday, October 25, 2005 has been rescheduled to **Thursday, October 13, 2005**. **Make sure you update your calendars!** If you are interested in attending, please contact Anne Poulin at (207) 287-7067 or Anne.Poulin@Maine.Gov to register.

This is an excellent, low cost, opportunity to train new staff on Maine Form Filing and Compliance Issues!

If you can't come to Maine and/or sending your claims staff to Maine hinders operations, customized training is available at insurer expense at your location. Contact the Monitoring Division for more details.

Auditing Division to Offer Advanced Wage Calculations and Payment Seminar

The Auditing Staff of the MWCB has begun putting together a training program to help train adjusters on the proper methods for determining more difficult compensation rates and wage calculations. So, if you've ever had to "fudge a fringe," "propose a partial," or "synchronize a scheme," this training could be the ticket that keeps you compliant. If you're interested in this seminar, feel free to contact Marlene Swift at Marlene.Swift@Maine.Gov or (207) 287-7014 to express your interest and/or propose some topics. The date of the seminar will be scheduled soon. We'll keep you posted!

LATE FILED COVERAGE UPDATES

The Maine Workers' Compensation Board has been issuing complaints for late filed proof of coverage notices since **1-1-2004**. To date, almost **4,000** complaints have been generated. More than half of these have had the \$100 penalty paid as a result of the complaint.

A late coverage filing burdens Board resources by forcing Board employees to research coverage information that should already have been supplied by insurers. A late coverage filing can delay a claimant's right to timely "due process" of the Act.

As a result of the chronic late filing of coverage notices, the Board's Auditors are now incorporating this aspect into their audit scope together with Complaints for Audit filed by the Monitoring Division. In these cases, underwriting and coverage administration practices will be audited as well as claims administration practices. Because there is a filing requirement on the proof of coverage notices, these can be measured and are subject to penalties for late filing and excessive numbers of late filed notices.

Overall, the number of late filed coverage complaints continue to drop; unfortunately, some carriers continue to report new and renewed policies in an untimely manner.

Confusion Abounds on Proper Ways to Discontinue Payments

Recent audits reveal the confusion that still exists in the community regarding which form to use to discontinue benefits. The Audit Division would like to offer the following reminders.

WCB-4: An employer/insurer can discontinue or modify benefits via the WCB-4 if:

- 1. Employee returns to work for the same employer (Section 205(9)(A));**
- 2. In accordance with a Board decision or mediation agreement;**
- 3. To reflect cost-of-living adjustments; and**
- 4. To memorialize statutory offsets such as Social Security and unemployment compensation.**

WCB-8: An employer/insurer **must** use either the **WCB-8** (21-Day) Certificate of Discontinuance or Reduction of Compensation form (if payments are being paid without prejudice) or a Petition for Review (if a compensation payment scheme exists) in order to discontinue or reduce benefits if:

- 1. The employee does not return to work for the same employer.**
- 2. Further, if an employee returns to work for a different employer, the insurer cannot take an offset for wages. The employer/insurer must use the discontinuance/reduction procedures spelled out in Section 205(9)(B).**
- 3. See case law Grant v. CMP, 828 A.2d 800, 2003 Me. 96.**

If you have any questions as to which form you should use, call your Claims Management contact at the Board or the Auditing Division!

EDI on First Reports Moves Forward with Implementation of IAIABC Release III

On 7/1/05, the Board fully implemented the program that mandates that all First Reports be received at the Board via electronic submission or EDI. As of the date of this newsletter, Paul Fortier, Agency Technology Officer, indicated that implementation of "Release III" was going smoothly as the individual submission vendors started transmission. Over the next few months, some technical glitches may occur so it will be important for carriers to carefully scrutinize their EDI Transmission Reports and analyze their Reconciliation Reports to ensure that First Reports submitted to the Board are making it into the Board's database. This is an evolutionary process so we encourage your understanding, patience and cooperation as we implement the new program. Any questions relating to EDI implementation should be forwarded to Paul Fortier, MWCB Agency Technology Officer, at Paul.Fortier@Maine.Gov or by phone at (207) 287-3818.

And Humor.....

Financial Hardship

One day, an American insurance company received a letter from a lady saying that unfortunately they have to cancel her husband's life insurance policy. "We always paid it in time," she wrote, "but since my dear husband's sudden death last year we have had some financial hardship; therefore, we would like not to pay it anymore."