Workers' Compensation Board Documents   State Documents

Spring 2006

MAE News: Newsletter from the Office of Monitoring, Audit and Enforcement, Spring 2006

Maine Workers' Compensation Board

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

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Are You Up-to-Date on Maine Compliance?

Workers' compensation adjusting can be a highly complicated job. It gets especially difficult if you're an adjuster who handles more than one state. Far too often many adjusters take their current interpretation of the Maine Workers' Compensation Act and its rules for granted and end up processing claims incorrectly. The best way to avoid this pitfall is to make sure you and/or your staff have the most up-to-date information on how to best administer a claim in Maine. This information is available from one of the Board's "Introductory Compliance" or "Advanced Wage Calculation" Training Seminars. These sessions are scheduled in an "Open" format in our Portland Regional Office. The next "Open" Training Session is scheduled for October 12 and 13, 2006.

If your company is in need of training on form filing and compliance issues, please contact Anne Poulin at (207) 287-7067 or send her an e-mail at: Anne.Poulin@Maine.Gov . We can custom tailor our training to suit your needs.

"Box 19" Errors on the Recon Report – What do they Mean?

The electronic filing of First Reports of Injury with the Board has created a new set of errors on the Board's Quarterly Reconciliation Report.

Have you noticed any unfamiliar changes to your Recon Reports? TPAs and Claims Administrators who work for other insurance companies have probably noticed that sometimes they get a Detailed Claims Section header that contains this note: **"NCCI-?"**.

In the "*Detailed Claim Section*", the **"NCCI-?"** appears when a claim has either been assigned to the wrong Unemployment Insurance Account Number (UIAN), or when the policy information (Proof of Coverage) for that period and claim has not been received and posted by the Board. Similarly, in the *"Missing Required Data Section"* you will also see the **"NCCI-?"** claims listed first along with a **"box 19"** error. This, too, means that those claims have either been assigned to the wrong UIAN, or that the policy listing coverage for these claims has not yet been received by the Board. (The question mark appears because the Board's computer can't match the claim to insurance coverage.)

Please review these claims and work with your Monitoring contact at the Board to determine if these claims need to be re-assigned, or to verify if the Proof of Coverage Notices for those employers' policies have been filed with the Board. In some cases, this late filing of coverage can hamper the Board's ability provide due process for your policyholders and your claimants.

It is important to note that the Board plans to collect other types of information via EDI (payment information and denials). As the migration to EDI matures, it will be especially important that Proof of Coverage Notices be filed timely so that claims can be properly assigned before additional layers of information are received and posted.

Notes From the Auditing Staff - "Fixed Partials"

Please be aware that Section 213.1 and Rule 8.8 require you to use *actual weekly earnings* to calculate injured employees' partial benefits. Therefore, in most situations, a "fixed partial" rate cannot be used *unless* it is applied through one of the following means:

1. (21-day) Certificate of Discontinuance or Reduction of Compensation, WCB-8. (Please see Section 205.9 for instructions and limitations.)
2. Consent Between Employer and Employee, WCB-4A. (Please see Rule 8.18 for instructions and limitations.)
3. Mediation Agreement
4. Board Decree

Monitoring to Identify Late Payments Qualifying for §205(3) Violations Using Reconciliation Report

Beginning the first quarter of 2006, the Monitoring Division will be reviewing Initial Indemnity Benefit (IIB) payments for potential violations of Section 205(3) which reads:

"Penalty for delay. When there is not an ongoing dispute, if weekly compensation benefits or accrued weekly benefits are not paid within 30 days after becoming due and payable, $50 per day must be added and paid to the worker for each day over 30 days in which the benefits are not paid. Not more than $1,500 in total may be added pursuant to this subsection. For purposes of ratemaking, daily charges paid under this subsection do not constitute elements of loss."

Between 80 and 85 percent of all IIB payments in Maine are made within the 14 days noted above. The remaining 15 to 20% of the IIB payments are considered "late" unless successfully rebutted by the claims administrator. A small percentage of the "late" payments are paid beyond 44 days of the employer's notice or knowledge of incapacity. These "late" payments may be subject to the penalty under §205(3).

If you have a very late payment in your Reconciliation Report this quarter, you can expect to receive a letter with your report noting the possible violation. Letters to insurers are being included for all claims where an initial payment appears to have been made on day 45 or beyond. Please get in touch with us if our information is incorrect or if the penalty payment has already been made to the employee. Responses to these letters should be addressed to Kathleen Schulz in Monitoring.

What's This "NC" Code in My Reconciliation Report?

Starting with the first quarter of 2006, your Reconciliation Report will identify Initial Indemnity Benefit payments where claimants returned to work after losing less than 7 days from work but became incapacitated again at a later date. Many of these "Non-consecutive" (NC) periods of disability may appear to be late in the Claims Detail Section of your Reconciliation Report. Some of these "late" payments may actually be timely based on the employer's notice or knowledge of the subsequent period of incapacity and/or other factors.

If you see one of these "NC" coded payments on your Reconciliation Report and you would like to rebut our initial findings, get in touch with your Monitoring Division contact.