



County of El Dorado

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Legislation Text

File #: 13-1065, Version: 1

Chief Administrative Office, Risk Management Division, recommending the Board review and approve the California State Association of Counties Excess Insurance Authority (EIA) proposed amendments to the Addendum A - Workers' Compensation Claims Administration Guidelines.

FUNDING: There is no change to Net County cost.

BUDGET SUMMARY:	
Total Estimated Cost.....	0.00
Budgeted.....	
New Funding.....	
Savings.....	
Other.....	
Total Funding Available.....	
Change To Net County Cost.....	0.00

Fiscal Impact/Change to Net County Cost

There is no change to Net County cost.

Background

El Dorado County has participated in the Excess Workers' Compensation (EWC) Program through EIA since 2002. This program provides bodily injury coverage for employees when they are injured on the job. Currently, the County has a \$300,000.00 self-insured retention and the EWC Program provides the excess coverage to statutory limits.

At its June 7, 2013 meeting, the EIA Board of Directors authorized proposed amendments to the Addendum A - Workers' Compensation Claims Administration Guidelines to be circulated to members for review and comment. Responses are due back to EIA by September 6, 2013.

Reason for Recommendation

Senate Bill 863 was signed into law in 2012 and took effect on January 1, 2013, which made wide ranging changes to the workers' compensation system. The EIA Claims review Committee is recommending amendments due to SB863, comments from members and third party administrators (TPAs) and continued review of audit results. The proposed amendments have been reviewed by the EIA Executive Committee and the EIA Board of Directors.

Highlights of the proposed changes include:

- 1) Reducing targeted caseload from a maximum of 175 to a maximum of 165;
- 2) Adding a section regarding ongoing claimant contact with unrepresented injured workers;
- 3) Modifying the sections regarding permanent disability, Supplemental Job Displacement Voucher benefits, payment of medical bills and utilization review to reflect changes in accordance with SB863;
- 4) Adjusting accomplishment levels to reflect 100% of any guideline also required in the Labor Code or Code of Regulations, and 95% of all others;
- 5) Modifying the reserve section to be consistent with the Code of Regulations and reflect a requirement to document reserve rationale in the claim file, as well as noting that, where the Self Insurance Plan (SIP) model does not apply, claims should be reserved for most probable value;
- 6) Adding a section to be consistent with the Code of Regulations indicating that medical cost containment fees are to be included in allocated expenses reserves;
- 7) Adding a section regarding documentation of strategies to protect interests on settlements;
- 8) Adding a section to be consistent with the Code of Regulations outlining expectations for administratively closing future medical files; and
- 9) Adding a section regarding the need for member approval to waive pursuit or settlement of subrogation.

The proposed amendments have been reviewed by EIA's legal counsel and there were no concerns with the proposed amendments. The proposed amendments and comments from members will be presented for consideration and adoption at the EIA Board of Directors' meeting on October 4, 2013.

Risk Management and County Counsel have reviewed the proposed amendments and recommend Board approval.

Action(s) to be taken following Board approval

Provide Risk Management any comments or concerns regarding the proposed amendments to Addendum A - Workers' Compensation Claims Administration Guidelines.

Contact

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