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WCIRB of California requires reporting of all insured first aid claims beginning Jan. 1, 2017

On Oct. 14, 2016, the California Insurance Commissioner issued his [decision](#) regarding the regulatory filing by the Workers' Compensation Rating Bureau of California (WCIRB). Among the amendments to the [California Workers' Compensation Uniform Statistical Reporting Plan-1995 \(USRP\)](#) effective Jan. 1, 2017, is clarification of the requirement to report first aid and small medical only claims regardless of whether the cost of medical treatment is paid by an employer or the insurer. The [WCIRB Bulletin No. 2016-25](#), dated Nov. 10, 2016, summarizes these changes.

What has changed and why?

The proper reporting of "first aid" sometimes referred to as small medical only claims has been a long-standing issue that the WCIRB has addressed in previous bulletins, such as the one issued [Aug. 23, 2006](#). The WCIRB's concern is that failing to report first aid claims by some insurers as required by the USRP gives their policyholders an unfair advantage in the market.

By explicitly including first aid in the definition of medical claims and the reporting of losses, these amendments are intended to clarify the intent of the regulations and what has been communicated in prior WCIRB bulletins.

What is a first aid claim or small medical only claim?

California Labor Code Section 5401 defines "first aid" as "any one-time treatment, and any follow-up visit for the purpose of observation of minor scratches, cuts, burns, splinters, and so forth, which do not ordinarily require medical care. Such one-time treatment and follow-up visit for the purpose of observation is considered first aid even though provided by a physician or registered professional personnel."

The term "small medical only claim" is also used to refer to first aid claims.

Reporting requirements

Effective Jan. 1, 2017, all insured employers within the state of California must report all claims for which medical treatment costs are incurred.

There are no new, special or unique coding requirements related to the reporting of first aid or small medical claims. The reporting requirements for these claims is the same for any medical only claim.

Recommendations to ensure compliance

To comply with the WCIRB's reporting requirement, insured employers paying medical costs for first aid medical treatment must now report those claims and the associated medical and expense costs to Sedgwick. Sedgwick will create a medical only claim file in computer system and report the related information to the insurance carrier who in turn reports this information to the WCIRB of California.

Every physician attending any injured employee must send copies of the Doctor's First Report of Occupational Injury or Illness to the workers' compensation insurance carrier or employer within five days of the initial examination. The insurer or employer must submit the physician's report with the Department of Industrial Relations (DIR) within five days of receipt.

Penalties for non-compliance

Any employer or physician who fails to comply with the submission of the Doctor's First Report for first aid claims may be assessed a civil penalty of not less than \$50 nor more than \$200 by the director if a pattern or practice of violations or a willful violation is found.

Additionally an insurer that fails to report first aid claims may be in violation of California Insurance Code Section 11755, which prohibits willful withholding information from or knowingly giving false or misleading information to the commissioner or to any rating organization, which will affect the rates, rating systems or premiums for workers compensation insurance.

Impact of this change on costs and experience mod ratings

There is no cost impact for employers who already report all claims to Sedgwick that involve the rendering of medical treatment. Sedgwick currently reports those claims as medical only to the insurance carrier who in turn reports the information to the WCIRB of California.

If the insured employer has paid first aid claims internally and not reported those claims or the amount paid for medical treatment for those claims in the past, they will experience an increased cost for claim administration as a result of reported medical only claims. Additionally the increase in claims frequency may produce a higher experience modification.

What is Sedgwick doing?

Sedgwick colleagues from the National Technical Compliance team and Operations met with representatives of the WCIRB of California on Nov. 15, 2016, to obtain additional information on the reporting of first aid claims paid by employers.

A follow-up meeting is scheduled for Dec. 9, 2016, to address questions such as how this change will impact insured employers with on-site healthcare facilities and healthcare employers. Information obtained from our engagement with the WCIRB will be shared.

It is recommended that employers currently paying their own medical costs for first aid claims submit those claims to Sedgwick for handling and proper reporting to their insurance company. Payment of medical bills utilizing the Official Medical Fee Schedule (OMFS) may result in reduced medical costs.

Sedgwick claim colleagues will be educated about first aid and small medical only claims prior to Jan. 1, 2017, to ensure appropriate triage and handling.

If you have any questions or would like to discuss, please contact your client services representative.

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