



Changes to State Fund's First-Aid Claims Reporting Practice Frequently Asked Questions

Q.: What is State Fund changing about its first-aid claims reporting practice?

A.: On April 24, 2017, State Fund began reporting the costs of all claims in which a licensed professional or physician provides medical care, including first-aid claims, to the Workers' Compensation Insurance Rating Bureau (WCIRB). Under the WCIRB guidelines, employers no longer have the option to pay first-aid claims costs themselves. If an employer pays the medical provider directly, we will solicit proof of payment and a copy of the bill from the employer for reimbursement. This change applies to new claims established April 24, 2017, regardless of date of injury, and does not affect previously established first-aid claims.

Note: “(F)irst aid” means any one-time treatment, and any follow-up visit for the purpose of observation of minor scratches, cuts, burns, splinters, or other minor industrial injury, which do not ordinarily require medical care. This 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.” LC § 5401(a).

Q.: What led State Fund to make this change at this time?

A.: In its [bulletin issued on November 10, 2016](#), the WCIRB clarified that costs of all claims are used in experience rating, no first-aid exception. According to the WCIRB, an insurer or employer's failure to report a loss (even if paid by the employer) has an inequitable impact on those employers whose losses are paid by their insurer and reported to WCIRB. In order to preserve the integrity of the experience rating plan, all losses must be reported regardless of the claim type. Therefore, the WCIRB proposed revisions to the Uniform Statistical Reporting Plan (USRP) and the Experience Rating Plan, which took effect January 1, 2017, by order of the Insurance Commissioner of the State of California.

Q.: What is the WCIRB's authority in this matter?

A.: The WCIRB is the designated statistical agent for the Insurance Commissioner of the State of California. A [primary function of the WCIRB](#) is collecting premium, payroll, and loss information from all workers' compensation policies that provide California coverage. This information assists the WCIRB to develop workers' compensation premium rate recommendations.

Q.: Wasn't State Fund already reporting all claims and costs to the WCIRB?

A.: State Fund did begin reporting costs on first-aid claims January 1, 2015; however, our systems do not allow us to report those costs which we do not pay. So to ensure we are complying with the Bureau's requirements, we need to pay for all first-aid claims treatment.

Q.: What if the employer proceeds in paying the first-aid treatment bill and does not report the claim to State Fund?

A.: A physician or provider, who administers first aid to an injured worker, is still required to file a Doctors First Report of Occupational Injury or Illness with the injured worker's employer or insurer in accordance with LC § 6409.

Upon receipt of a Doctor's First Report, State Fund will contact the employer to verify the first-aid claim. We will then pay the bill either to the medical provider or by reimbursing the employer and report the costs to the WCIRB.

Q.: How can the employer get reimbursed for a first-aid treatment bill?

A.: State Fund will reimburse employers the cost of medical treatment on first-aid type claims. Employers should contact the adjuster or the **State Fund Customer Service Center at 1(888) 782-8338** for specific details on how to request reimbursement.

Q.: What if an employer refuses to tell State Fund how much s(he) paid for first aid?

A.: An employer that fails to report first-aid costs may be in violation of Ins Code § 11755, which provides that no person or insurer shall willfully withhold information from any rating organization, which will affect the rates, rating systems or premiums for workers' compensation insurance. Willful failure to comply with a final order of the insurance commissioner is a misdemeanor which carries a fine up to \$5000. Insurance Code § 11756.

Q.: Will reporting a first-aid claim adversely affect an employer's experience modification (X-Mod)?

A.: Should the employer incur more than one first-aid claim during a policy year there is a possibility that the costs on first-aid claims might affect the employer's X-Mod, if s(he) qualifies for one. As of January 1, 2017, the qualifying threshold for an X-Mod is \$10,100. A threshold is determined by totaling payroll by classification code developed during the experience period. These totals are multiplied by the expected loss rates as determined by the WCIRB for each classification that applies, as of the effective date of the experience modification (for the policy year). The result of these calculations must equal or exceed \$10,100.

Q.: How soon before a first-aid claim reported after January 1, 2017, can affect an experience modification?

A.: Claims reported after January 1, 2017, will not affect an experience modification until after the annual rating date occurs in the year 2019. An employer's anniversary rating date determines the [experience period](#), and the effective date of their experience modification. The experience period begins four years and nine months prior to the anniversary rating date and terminates one year and nine months prior to the anniversary rating date.

Q.: Will reporting costs for first-aid claims impact premium pricing, even if the employer is not experience rated?

A.: Many factors are considered when pricing a policy. In addition to claims costs, we also consider the size of the company, number of employees, amount of payroll, and rates for class codes.