



Paper Claims – Claim Shell

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Discussion Points

- **Required Reporting**
- **Claim Shell Creation**
- **Uninsured Employers**
- **Liberty Mutual Study**

Required Reporting

- **Employers are required to report all work injuries or deaths within 10 days of their knowledge (§ 65.2-900)**
 - Reports to their Carrier or their Claim Administrator
 - Unless they are self-insured, self-administered
- **Claim Administrators are required to report those injuries to the Commission within 10 days of their knowledge**
 - Claim Administrator can be
 - Self-insured, self administered employer
 - Insurance Carrier
 - Third Party Administrator
- **EDI**

Paper Claims - Claim Shell

- **Claims created prior to the filing of an EDI transaction**
- **Claim shells can be created and a JCN assigned when the following documents are filed:**
 - Claim for Benefits Form
 - Letter from an attorney
- **The following documents are not acceptable to create a claim shell and will be rejected:**
 - Employers Accident Report (Form #3 – Paper FROI)
 - Medical records
 - Any letter submitted by the Insurance Carrier or Claim Administrator
- **Approximately 3,500 claim shells created each year**

Paper Claims – Claim Shell

- **The Commission can create a Claim Shell with only the following information:**
 - Employee's name and address
 - Employer's name and address
 - Date of accident or date of communication of occupational disease
- **Employer information is often missing or incomplete which will slow down the process of creating the Claim Shell and assigning a JCN**
 - Employer name listed is often the trade name or DBA
 - Employer address is often not listed
 - Employer name listed may be common or incomplete

Paper Claims – Claim Shell

- **Claim creation requires identifying employer coverage**
 - We cannot create a claim in the VWC system without coverage
 - We may be required to list it as No Record of Insurance for uninsured employers
 - We can search for an employer's coverage three ways:
 - Name
 - Address
 - Federal Employer ID Number (FEIN)
 - We also search the Internet for employer information

****If coverage cannot be identified, a request for coverage information is sent to the employer to determine if there is coverage that has not been properly filed with NCCI. If proper VA coverage is not filed and it was the intent of the employer to have Virginia coverage, an endorsement will be needed.***

Uninsured employers

200+ claims are created with uninsured employers each year

- **Uninsured employers**
 - Some claim:
 - injured worker was an independent contractor
 - injured worker was not an employee
 - less than three employees
 - Some do not have valid Virginia coverage
 - And some just do not have an excuse

- **Ultimately, the Deputy Commissioner determines if the employer is required to carry coverage**
 - And if the worker is covered under the Act

- **The Uninsured Employer's Fund**

**Important to make sure all employers and their coverage is identified*

Prompt Reporting reduces costs – The Liberty Mutual Study



- **2009 study – recommends reporting within 3 days**
 - Reporting 4-7 days post injury increases claim costs 9%
 - Reporting 1-2 weeks post injury increases claim costs 20%
 - Reporting 2-3 weeks post injury increases claim costs 32%
 - Reporting 3-4 weeks post injury increases claim costs 48%
 - Reporting one month+ late increases claim costs 72%!

- **The problems with delayed reporting:**
 - Delays access to medical attention
 - Delays access to preferred providers
 - Increases litigation
 - Inability to maximize Return-To-Work programs

Questions?

Index Cards or bulletin board by registration desk

OR

Contact the Commission's Insurance Department:

- vwcinsurance@workcomp.virginia.gov
- Toll free - 877-664-2566