



Oregon

John A. Kitzhaber, MD, Governor

Department of Consumer and Business Services
Workers' Compensation Division
350 Winter Street NE
P.O. Box 14480
Salem, Oregon 97309-0405
1-800-452-0288, 503-947-7810
www.wcd.oregon.gov

Aug. 30, 2011

To: Workers' compensation insurers, self-insured employers, and third-party administrators

Subject: Focused performance audit: **Pre-Closure Accuracy Audit**

Industry Notice

The Workers' Compensation Division (WCD) previously notified you of changes to our performance audits. You may review the prior notices at <http://www.cbs.state.or.us/wcd/compliance/fau/ptd/audinfo.html> under "Regulatory redesign."

This notice provides scheduling and topical information about the Pre-Closure Accuracy Audit.

The Pre-Closure Accuracy Audit addresses core claims processing performance areas that directly affect worker benefits and employer costs. WCD will review the accuracy of benefit calculations and disability payments in open or reopened claims. The review will focus on processing actions from the date of injury or claim reopening to the date of the audit, including, but not limited to, calculation of the average weekly wage, temporary disability payments as authorized by medical records and return-to-work information, individual payment accuracy of temporary total and temporary partial disability periods, and termination of temporary disability. The audit sample will be selected from accepted, disabling claims identified on WCD's claims system as "open" or "reopened" within a one-year period before the start date of the audit. If claims are no longer open or reopened at the time of claim review, we will select replacement claims during the audit.

All insurers and self-insured employers will be audited and subject to penalties if performance is deficient. Performance expectations are: 90 percent of all payments are accurate and 90 percent of claims with temporary disability due have all periods of temporary disability paid. Also, if the Pre-Closure Accuracy Audit identifies low performance, WCD will provide required training and reassess performance in follow-up audits.

WCD will contact processing locations in September 2011 to schedule audits that will start in October 2011. Insurers and self-insured employers with one processing location who did not receive 2009 Annual Audit penalties will be contacted first.

We welcome your input on our audit programs and how best we can monitor industry performance while minimizing burdens and intrusiveness on companies. If you have questions about this notice, contact Field Audit Unit Manager **Sally Coen** at 503-947-7687 or e-mail sally.c.coen@state.or.us.

John Shilts, Administrator
Workers' Compensation Division