



Oregon

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BULLETIN NO. 294

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To: Workers' Compensation Insurers

Subject: Overpayment Recoveries on Reimbursable Claims

Purpose

ORS 656.268(15)(a) provides that an insurer or self-insured employer may offset any compensation payable to the worker to recover an overpayment from a claim with the same insurer or self-insurer. This bulletin provides an explanation how recoveries may affect claims which qualify for reimbursement from the Workers' Benefit Fund (WBF).

General Information

The Workers' Benefit Fund is the reimbursement source for claims eligible for claims cost reimbursement from the Handicapped Workers' Program, the Reopened Claims Program, the Preferred Worker Program and the Noncomplying Employer Program. The following procedures explain how overpayment recoveries affect claims cost reimbursement for these programs:

I. Handicapped Workers' Program, Reopened Claims Program, Preferred Worker Program

- a. An insurer may deduct from current benefits in a reimbursable claim to recover an overpayment from an insured claim. The amount eligible for reimbursement from the Department will be based upon the total claims costs attributable to the reimbursable claim.
- b. An insurer may deduct from current benefits in a reimbursable claim to recover an overpayment in another reimbursable claim with the same insurer. The amount eligible for reimbursement from the Department will be based upon the total claims costs attributable to each reimbursable claim.
- c. An insurer may deduct from current benefits in an insured claim an overpayment from a reimbursable claim with the same insurer. *When an insurer recovers an overpayment on an insured claim from a reimbursable claim, the insurer must repay the Department for any such recoveries.* Overpayments which are repaid to the Department will be deposited into the Workers' Benefit Fund.

Claim with Existing Overpayment	Claim in Which overpayment is to be recovered	Effect on Reimbursement from WBF
Non-Reimbursable Claim	Reimbursable Claim	Insurer would be entitled to 100% of the claim costs attributable to the reimbursable claim
Reimbursable Claim	Reimbursable Claim	Insurer would be entitled to 100% of the claim costs attributable to each reimbursable claim
Reimbursable Claim	Non-reimbursable Claim	Insurer must repay WCD for any amounts previously reimbursed from the WBF up to the amount of recovery

II. Noncomplying Employer Program

An assigned claims agent **may not** recover overpayments between noncomplying employer claims or between insured claims and noncomplying employer claims.

Any questions relating to claim cost recoveries affecting claims eligible for reimbursement from the Workers' Benefit Fund should be directed to the Workers' Compensation Division, Compliance Section at (503) 947-7722.

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