

WORKERS' COMPENSATION DIVISION



COVID-19 Denied Claims Audit

Final Report

February 5, 2021

Insurance Companies

American Zurich Insurance Company

Charter Oak Fire Insurance Company

Church Mutual Insurance Company

Federal Insurance Company

Guideone Mutual Insurance Company

Indemnity Insurance Company of North America

LM Insurance Company

New Hampshire Insurance Company

SAIF Corporation

Self-Insured Employers

Asante

Kaiser Foundation Health Plan of the Northwest

Providence Health & Services - Oregon

Auditors

Barbara Belcher, Audit Manager

Troy Painter, Senior Auditor

Introduction

On June 22, 2020, Governor Kate Brown asked the Management / Labor Advisory Committee (MLAC) to review the effects of the COVID-19 pandemic on Oregon's workers' compensation system. Among several recommendations from MLAC was adopting a new administrative rule requiring the Workers' Compensation Division (WCD) to audit claims for COVID-19 that were denied by insurance companies and self-insured employers. The WCD filed a temporary Oregon Administrative Rule (OAR) 436-060-0141, effective October 1, 2020. In part, the rule required WCD, under specified circumstances, to audit denied COVID-19 claims.

Under WCD's statutory authority, the audit was limited to reasonableness of investigations and did not evaluate compensability decisions. Issues of compensability are under the jurisdiction of the Workers' Compensation Board and are not subject to audit by WCD.

All claims involved in the audit were filed before additional reasonable investigation standards were implemented for COVID-19 claims by OAR 436-060-0141 on October 1, 2020. The previously existing standard outlined in OAR 436-060-0140(1), below, established the standard for the audit.

***OAR 436-060-0140(1):** The insurer is required to conduct a "reasonable" investigation based on all available information in determining whether to deny a claim.*

(a) A reasonable investigation is whatever steps a reasonably prudent person with knowledge of the legal standards for determining compensability would take in a good faith effort to ascertain the facts underlying a claim, giving due consideration to the cost of the investigation and the likely value of the claim.

(b) In determining whether an investigation is reasonable, the director will only look at information contained in the insurer's claim record at the time of denial. The insurer may not rely on any fact not documented in the claim record at the time of denial to establish that an investigation was reasonable.

The rule below provided the criteria for which claims were audited:

***OAR 436-060-0141(3):** If, as of Oct. 1, 2020, an insurer has reported to the director, as required by OAR 436-060-0011, five or more claims for COVID-19 or exposure to SARS-CoV-2, regardless of whether those claims have been accepted or denied, the director will audit the insurer's files for all denied claims for COVID-19 or exposure to SARS-CoV-2, for which the denial has become final by operation of law by the date of audit.*

That standard produced for audit COVID-19 claims processed at nine locations from nine insurance companies and three self-insured employers (see Table 1 below). From October 2020 through January 2021, two auditors reviewed 234 total claims with dates of injury ranging from February 20, 2020 through September 13, 2020. Thirty-two claims were not reviewed because the denials were not final at the time of review.

Table 1

Insurance Company	Claims Processor	# Claims Audited
SAIF Corporation	SAIF	91
American Zurich Insurance Company	Gallagher Bassett Services, Inc.	1
American Zurich Insurance Company	Sedgwick Claims Management Services, Inc.	1
Charter Oak Fire Insurance Company	Travelers Group	4
Church Mutual Insurance Company	Gallagher Bassett Services, Inc.	17
Federal Insurance Company	Gallagher Bassett Services, Inc.	6
Indemnity Insurance Company of North America	ESIS, Inc.	1
Indemnity Insurance Company of North America	Sedgwick Claims Management Services, Inc.	1
LM Insurance Corporation	Liberty Mutual Companies / Helmsman	24
New Hampshire Insurance Company	AIG Claims, Inc.	1
New Hampshire Insurance Company	Liberty Mutual Companies / Helmsman	2
Guideone Mutual Insurance Company	Corvel Enterprise Group, Inc.	24
Self-Insured Employer	Claims Processor	# Claims Audited
Kaiser Foundation Health Plan of the Northwest	Sedgwick Claims Management Services, Inc.	4
Asante	Matrix Absence Management, Inc.	7
Providence Health & Services - Oregon	Sedgwick Claims Management Services, Inc.	50

Objective

The audit objective was to assess compliance with OAR 436-060-0140(1), cited above, relating to the investigation of denied claims for COVID-19 or exposure to SARS-CoV-2. Claims were reviewed for reasonable investigation prior to denial. A reasonable investigation can include but is not limited to investigating or making a good-faith effort to investigate, as appropriate, the following areas as they relate to compensability. Whether an investigation is reasonable is determined by evaluating the record in its entirety.

- Three-point contact – information from the worker, the employer, and medical provider(s), if any
- COVID-19 test – whether the worker was tested and, if so, the result of the test
- Medical treatment other than a COVID-19 test
- Temporary disability – whether temporary disability was due the worker

For informational purposes, the review also included tracking statistical information such as the results of COVID-19 tests, whether temporary disability due was paid, etc. This information is captured in the *Other Findings and Observations* section.

Performance Standard

Investigations in all claims reviewed must have been reasonable. WCD may assess a civil penalty for any claim in which a reasonable investigation was not conducted.

Findings

Reasonable investigations were conducted in all claims reviewed. Claims were investigated and processed to a standard at or above that of industry norms for other types of claims. For example,

claims processors investigated exposure in all claims, frequently staffed claims and investigation results among supervisors, managers, attorneys, etc. before denying the claim, and made efforts to contact non-responsive workers and obtain their statements. Statements taken were thorough.

Explanation of Violations

No violations were found. No civil penalties were issued.

Other Findings and Observations

COVID-19 Test Results

About 80% of workers were tested for COVID-19, and about 74% of the tested workers tested negative. Table 2 on page 6 shows the test results by insurance company and self-insured employer. Most workers were tested after a claim was filed. Additionally, one presumptive diagnosis was found.

Claim Filing

Auditors determined for what reason the claims were filed at the time of filing. Of the 234 claims filed:

- 77 claims filed for symptoms only, no known or suspected exposure to COVID-19
- 66 claims filed for known or suspected exposure only, without symptoms
- 46 claims filed for known or suspected exposure and symptoms
- 39 claims filed for COVID-19 infection
- 6 claims filed for undetermined reasons.

Most claims did not appear to have been filed directly by workers.

- Most claims were initiated by Form 827's filed by medical providers who authorized workers to be tested for COVID-19, rather than by workers filing a Form 801. Only a few worker-originated Form 801's were found in the claims.
- Many workers were not aware that a claim had been filed.
- A few workers asked about withdrawing the claim.
- About 15% (37) of workers did not respond to attempts by the claims processors to contact them. Processors made efforts in these claims to obtain a statement from the workers, including multiple attempts by phone (often a dozen or more), mail, and email if available.
- A few employers commented that they thought they were required to file a claim if a worker was exposed to or tested for COVID-19.

High Denial Rates

During MLAC's review, concerns were raised about some insurance companies' and self-insured employers' high numbers of claim denials. These numbers were driven primarily by high volumes of claims filed for workers who did not have COVID-19 and by claims frequently generated by employers referring workers for testing on a precautionary basis, rather than by workers filing claims for infection. This is illustrated by the test result rates in Table 2 on page 6, the reasons for

filing a claim as illustrated above (primarily exposure or symptoms rather than contraction of COVID-19), and that most claims were not filed by workers.

Temporary Disability

Auditors found evidence that workers had lost wages from work in about 55% (130) of claims. Temporary disability was paid in all claims in which it was due, which was about 22% (28) of the claims with wages lost. Temporary disability was paid in another 22 claims in which it was not due. In these claims, claims processors may have inferred authorization from the records or voluntarily paid temporary disability. Table 3 on page 7 shows a breakdown by insurance company and self-insured employer.

In most of the claims in which temporary disability was not due, various combinations of reasons, including those listed below, were factors in disability not being due. Singular reasons identified were distributed as follows:

- 27 claims did not have proper medical authorization
- 21 claims were denied within 14 days (precludes temporary disability)
- 10 claims did not have wage loss past the three-day waiting period

Several employers paid “COVID-19 leave” or other wage continuation to workers while off work. Statistics were not gathered for these occurrences due to inconsistent documentation in the claim records. (Claims processors do not always need to document these occurrences.)

Medical Bills

Many insurance companies and self-insured employers paid medical bills received for COVID-19 testing and medical exams to authorize the tests. Some employers also paid for testing, often when testing was required by the employer. Statistics were not gathered.

Medical Treatment Other Than a Test

Auditors found evidence of medical treatment other than simply a test for COVID-19 in about 58% (136) of claims. However, this treatment was rarely more than an initial exam to authorize the worker to be tested for COVID-19. Statistics were not gathered.

Table 2 – COVID-19 Testing Results

Insurance Co. / Self-Insured Employer	Claims Processor	# Claims Audited	# Tested	# Positive	# Negative	# Unknown
SAIF Corporation	SAIF	91	58	18	38	2
American Zurich Insurance Company	Gallagher Bassett Services, Inc.	1	1	0	1	0
American Zurich Insurance Company	Sedgwick Claims Management Services, Inc.	1	1	0	0	1
Charter Oak Fire Insurance Company	Travelers Group	4	4	1	3	0
Church Mutual Insurance Company	Gallagher Bassett Services, Inc.	17	17	0	15	2
Federal Insurance Company	Gallagher Bassett Services, Inc.	6	6	6	0	0
Indemnity Insurance Company of North America	ESIS, Inc.	1	1	1	0	0
Indemnity Insurance Company of North America	Sedgwick Claims Management Services, Inc.	1	1	0	1	0
LM Insurance Corporation	Liberty Mutual Companies / Helmsman	24	18	13	4	1
New Hampshire Insurance Company	AIG Claims, Inc.	1	1	0	1	0
New Hampshire Insurance Company	Liberty Mutual Companies / Helmsman	2	2	1	1	0
Guideone Mutual Insurance Company	Corvel Enterprise Group, Inc.	24	24	1	23	0
Kaiser Foundation Health Plan of the Northwest	Sedgwick Claims Management Services, Inc.	4	4	0	4	0
Asante	Matrix Absence Management, Inc.	7	5	1	4	0
Providence Health & Services - Oregon	Sedgwick Claims Management Services, Inc.	50	43	0	43	0
	Totals	234	186	42	138	6

Table 3 – Lost Wages and Temporary Disability (TD) Due and Paid

Insurance Co. / Self-Insured Employer	Claims Processor	# Claims Audited	# Lost wages	# TD Due	# TD Paid
SAIF Corporation	SAIF	91	63	14	32
American Zurich Insurance Company	Gallagher Bassett Services, Inc.	1	1	1	1
American Zurich Insurance Company	Sedgwick Claims Management Services, Inc.	1	1	0	0
Charter Oak Fire Insurance Company	Travelers Group	4	2	0	0
Church Mutual Insurance Company	Gallagher Bassett Services, Inc.	17	8	1	2
Federal Insurance Company	Gallagher Bassett Services, Inc.	6	4	0	0
Indemnity Insurance Company of North America	ESIS, Inc.	1	1	0	0
Indemnity Insurance Company of North America	Sedgwick Claims Management Services, Inc.	1	1	0	0
LM Insurance Corporation	Liberty Mutual Companies / Helmsman	24	0	0	0
New Hampshire Insurance Company	AIG Claims, Inc.	1	1	0	0
New Hampshire Insurance Company	Liberty Mutual Companies / Helmsman	2	0	0	0
Guideone Mutual Insurance Company	Corvel Enterprise Group, Inc.	24	23	12	15
Kaiser Foundation Health Plan of the Northwest	Sedgwick Claims Management Services, Inc.	4	1	0	0
Asante	Matrix Absence Management, Inc.	7	4	0	0
Providence Health & Services - Oregon	Sedgwick Claims Management Services, Inc.	50	20	0	0
	Totals	234	130	28	50

DEPARTMENT OF CONSUMER AND BUSINESS SERVICES

WORKERS' COMPENSATION DIVISION



COVID-19 Denied Claims Audit

Final Report

January 2021

Insurer

American Zurich Insurance Company

Service Company

Gallagher Bassett Services, Inc.
Sedgwick Claims Management Services, Inc.

Auditor(s)

Troy Painter

Introduction

Oregon's workers' compensation law does not contain a presumption of compensability for claims for COVID-19 or exposure to SARS-CoV-2. To address the processing of these claims, the Oregon Workers' Compensation Division (WCD) filed a temporary Oregon Administrative Rule (OAR), 436-060-0141, effective October 1, 2020. In part, the rule requires WCD, under specified circumstances, to audit claims that were denied by insurers.

Under WCD's statutory authority, the review is limited to reasonableness of investigation and does not include compensability determination. Issues of compensability are under the jurisdiction of the Workers' Compensation Board and are not subject to review by WCD.

All claims involved in this audit were filed before additional investigation standards were implemented by OAR 436-060-0141 on October 1, 2020, and were not subject to its new investigation standards. The previously existing standard outlined in OAR 436-060-0140(1), below, establishes the standard for this audit.

OAR 436-060-0140(1): The insurer is required to conduct a "reasonable" investigation based on all available information in determining whether to deny a claim.

(a) A reasonable investigation is whatever steps a reasonably prudent person with knowledge of the legal standards for determining compensability would take in a good faith effort to ascertain the facts underlying a claim, giving due consideration to the cost of the investigation and the likely value of the claim.

(b) In determining whether an investigation is reasonable, the director will only look at information contained in the insurer's claim record at the time of denial. The insurer may not rely on any fact not documented in the claim record at the time of denial to establish that an investigation was reasonable.

Company Description

American Zurich Insurance Company provides workers' compensation insurance to Oregon employers. WCD audited claims processed by Gallagher Bassett Services Inc., 10220 SW Greenburg Road, Suite 500, Lake Oswego, Oregon and Sedgwick Claims Management Services, Inc., 825 NE Multnomah St., Suite 1000, Portland, Oregon..

Objective

Assess compliance with Oregon Administrative Rule (OAR) 436-060-0140(1) relating to the investigation of claims for COVID-19 or exposure to SARS-CoV-2.

Test Methods

Select all denied claims for COVID-19 or exposure to SARS-CoV-2 for insurers that, as of October 1, 2020, reported to the Workers' Compensation Division (WCD) five or more claims for COVID-19 or exposure to SARS-CoV-2 under OAR 436-060-0011.

Review for reasonable investigation prior to denial the claims in which denials have become final. Reasonable investigation includes but is not limited to investigating or making a good-faith effort to investigate, as appropriate:

- Three-point contact - information from the worker, the employer, and medical provider(s) (if any)
- COVID test - whether the worker was tested and, if so, the result of the test
- Medical treatment other than a COVID test - treatment other than a test
- Temporary disability - whether temporary disability was due the worker

For informational purposes, the review may also include tracking statistical information such as the results of COVID tests, whether temporary disability due was paid, or other areas of interest.

Performance Standards

Investigations in all claims reviewed must have been reasonable. WCD may assess civil penalties for claims in which a reasonable investigation was not conducted.

Gallagher Bassett Services Inc. Findings

The insurer conducted reasonable investigations in 1 of 1 claims reviewed. More specifically:

Area of Review	Claims Audited	Reasonably Investigated
Three-point Contact	1	1
COVID Test	1	1
Medical Treatment other than a Test	1	1
Temporary Disability	1	1

Explanation of Violations by Claim

No violations were found.

Special Findings / Observations

The worker tested negative for COVID.

Temporary disability was authorized and interim compensation was due and paid to the worker.

The claims processor paid related medical bills.

Sedgwick Claims Management Services, Inc. Findings

The insurer conducted reasonable investigations in 1 of 1 claims reviewed. More specifically:

Area of Review	Claims Audited	Reasonably Investigated
Three-point Contact	1	1
COVID Test	1	1
Medical Treatment other than a Test	1	1
Temporary Disability	1	1

Explanation of Violations by Claim

No violations were found.

Special Findings / Observations

No additional findings.

DEPARTMENT OF CONSUMER AND BUSINESS SERVICES

WORKERS' COMPENSATION DIVISION



COVID-19 Denied Claims Audit

Final Report

January 2021

Insurer

Asante

Service Company

Matrix Absence Management, Inc.

Auditor(s)

Barbara Belcher
Troy Painter

Introduction

Oregon's workers' compensation law does not contain a presumption of compensability for claims for COVID-19 or exposure to SARS-CoV-2. To address the processing of these claims, the Oregon Workers' Compensation Division (WCD) filed a temporary Oregon Administrative Rule (OAR), 436-060-0141, effective October 1, 2020. In part, the rule requires WCD, under specified circumstances, to audit claims that were denied by insurers.

Under WCD's statutory authority, the review is limited to reasonableness of investigation and does not include compensability determination. Issues of compensability are under the jurisdiction of the Workers' Compensation Board and are not subject to review by WCD.

All claims involved in this audit were filed before additional investigation standards were implemented by OAR 436-060-0141 on October 1, 2020, and were not subject to its new investigation standards. The previously existing standard outlined in OAR 436-060-0140(1), below, establishes the standard for this audit.

OAR 436-060-0140(1): The insurer is required to conduct a "reasonable" investigation based on all available information in determining whether to deny a claim.

(a) A reasonable investigation is whatever steps a reasonably prudent person with knowledge of the legal standards for determining compensability would take in a good faith effort to ascertain the facts underlying a claim, giving due consideration to the cost of the investigation and the likely value of the claim.

(b) In determining whether an investigation is reasonable, the director will only look at information contained in the insurer's claim record at the time of denial. The insurer may not rely on any fact not documented in the claim record at the time of denial to establish that an investigation was reasonable.

Company Description

Asante is an Oregon self-insured employer providing workers' compensation insurance for its Oregon employees. WCD audited claims at Matrix Absence Management, Inc., 10220 SW Greenburg Road, Suite 601, Portland, Oregon.

Objective

Assess compliance with Oregon Administrative Rule (OAR) 436-060-0140(1) relating to the investigation of claims for COVID-19 or exposure to SARS-CoV-2.

Test Methods

Select all denied claims for COVID-19 or exposure to SARS-CoV-2 for insurers that, as of October 1, 2020, reported to the Workers' Compensation Division (WCD) five or more claims for COVID-19 or exposure to SARS-CoV-2 under OAR 436-060-0011.

Review for reasonable investigation prior to denial the claims in which denials have become final. Reasonable investigation includes but is not limited to investigating or making a good-faith effort to investigate, as appropriate:

- Three-point contact - information from the worker, the employer, and medical provider(s) (if any)
- COVID test - whether the worker was tested and, if so, the result of the test
- Medical treatment other than a COVID test - treatment other than a test
- Temporary disability - whether temporary disability was due the worker

For informational purposes, the review may also include tracking statistical information such as the results of COVID tests, whether temporary disability due was paid, or other areas of interest.

Performance Standards

Investigations in all claims reviewed must have been reasonable. WCD may assess civil penalties for claims in which a reasonable investigation was not conducted.

Findings

The insurer conducted reasonable investigations in 7 of 7 claims reviewed. More specifically:

Area of Review	Claims Audited	Reasonably Investigated
Three-point Contact	7	7
COVID Test	7	7
Medical Treatment other than a Test	7	7
Temporary Disability	7	7

Explanation of Violations by Claim

No violations were found.

Special Findings / Observations

Only one worker tested positive for COVID-19; four workers test results were negative; and two workers had claims filed for exposure only and were not tested for COVID-19. No presumptive diagnoses were found.

Temporary disability benefits were not due or paid in any claims.

DEPARTMENT OF CONSUMER AND BUSINESS SERVICES

WORKERS' COMPENSATION DIVISION



COVID-19 Denied Claims Audit

Final Report

January 2021

Insurer

Charter Oak Fire Insurance Company

Auditor(s)

Barbara Belcher
Troy Painter

Introduction

Oregon's workers' compensation law does not contain a presumption of compensability for claims for COVID-19 or exposure to SARS-CoV-2. To address the processing of these claims, the Oregon Workers' Compensation Division (WCD) filed a temporary Oregon Administrative Rule (OAR), 436-060-0141, effective October 1, 2020. In part, the rule requires WCD, under specified circumstances, to audit claims that were denied by insurers.

Under WCD's statutory authority, the review is limited to reasonableness of investigation and does not include compensability determination. Issues of compensability are under the jurisdiction of the Workers' Compensation Board and are not subject to review by WCD.

All claims involved in this audit were filed before additional investigation standards were implemented by OAR 436-060-0141 on October 1, 2020, and were not subject to its new investigation standards. The previously existing standard outlined in OAR 436-060-0140(1), below, establishes the standard for this audit.

OAR 436-060-0140(1): The insurer is required to conduct a "reasonable" investigation based on all available information in determining whether to deny a claim.

(a) A reasonable investigation is whatever steps a reasonably prudent person with knowledge of the legal standards for determining compensability would take in a good faith effort to ascertain the facts underlying a claim, giving due consideration to the cost of the investigation and the likely value of the claim.

(b) In determining whether an investigation is reasonable, the director will only look at information contained in the insurer's claim record at the time of denial. The insurer may not rely on any fact not documented in the claim record at the time of denial to establish that an investigation was reasonable.

Company Description

Charter Oak Fire Insurance Company provides workers' compensation insurance to Oregon employers. WCD audited claims processed by The Travelers Companies, Inc., 4000 Kruse Way Place, Building 1, Suite 255, Portland, OR.

Objective

Assess compliance with Oregon Administrative Rule (OAR) 436-060-0140(1) relating to the investigation of claims for COVID-19 or exposure to SARS-CoV-2.

Test Methods

Select all denied claims for COVID-19 or exposure to SARS-CoV-2 for insurers that, as of October 1, 2020, reported to the Workers' Compensation Division (WCD) five or more claims for COVID-19 or exposure to SARS-CoV-2 under OAR 436-060-0011.

Review for reasonable investigation prior to denial the claims in which denials have become final. Reasonable investigation includes but is not limited to investigating or making a good-faith effort to investigate, as appropriate:

- Three-point contact - information from the worker, the employer, and medical provider(s) (if any)
- COVID test - whether the worker was tested and, if so, the result of the test
- Medical treatment other than a COVID test - treatment other than a test
- Temporary disability - whether temporary disability was due the worker

For informational purposes, the review may also include tracking statistical information such as the results of COVID tests, whether temporary disability due was paid, or other areas of interest.

Performance Standards

Investigations in all claims reviewed must have been reasonable. WCD may assess civil penalties for claims in which a reasonable investigation was not conducted.

Findings

The insurer conducted reasonable investigations in 4 of 4 claims reviewed. More specifically:

Area of Review	Claims Audited	Reasonably Investigated
Three-point Contact	4	4
COVID Test	4	4
Medical Treatment other than a Test	4	4
Temporary Disability	4	4

Explanation of Violations by Claim

No violations were found.

Special Findings / Observations

All four workers were tested for COVID-19. Three workers tested negative for COVID, one worker tested positive, and no presumptive diagnoses were found.

Temporary disability benefits were not due or paid in any claims.

DEPARTMENT OF CONSUMER AND BUSINESS SERVICES

WORKERS' COMPENSATION DIVISION



COVID-19 Denied Claims Audit

Final Report

January 2021

Insurer

Church Mutual Insurance Company

Service Company

Gallagher Bassett Services, Inc.

Auditor(s)

Barbara Belcher
Troy Painter

Introduction

Oregon's workers' compensation law does not contain a presumption of compensability for claims for COVID-19 or exposure to SARS-CoV-2. To address the processing of these claims, the Oregon Workers' Compensation Division (WCD) filed a temporary Oregon Administrative Rule (OAR), 436-060-0141, effective October 1, 2020. In part, the rule requires WCD, under specified circumstances, to audit claims that were denied by insurers.

Under WCD's statutory authority, the review is limited to reasonableness of investigation and does not include compensability determination. Issues of compensability are under the jurisdiction of the Workers' Compensation Board and are not subject to review by WCD.

All claims involved in this audit were filed before additional investigation standards were implemented by OAR 436-060-0141 on October 1, 2020, and were not subject to its new investigation standards. The previously existing standard outlined in OAR 436-060-0140(1), below, establishes the standard for this audit.

OAR 436-060-0140(1): The insurer is required to conduct a "reasonable" investigation based on all available information in determining whether to deny a claim.

(a) A reasonable investigation is whatever steps a reasonably prudent person with knowledge of the legal standards for determining compensability would take in a good faith effort to ascertain the facts underlying a claim, giving due consideration to the cost of the investigation and the likely value of the claim.

(b) In determining whether an investigation is reasonable, the director will only look at information contained in the insurer's claim record at the time of denial. The insurer may not rely on any fact not documented in the claim record at the time of denial to establish that an investigation was reasonable.

Company Description

Church Mutual Insurance Company provides workers' compensation insurance for Oregon employers. WCD audited claims processed by Gallagher Bassett Services, Inc., 10220 SW Greenburg Road, Suite 500, Portland, Oregon.

Objective

Assess compliance with Oregon Administrative Rule (OAR) 436-060-0140(1) relating to the investigation of claims for COVID-19 or exposure to SARS-CoV-2.

Test Methods

Select all denied claims for COVID-19 or exposure to SARS-CoV-2 for insurers that, as of October 1, 2020, reported to the Workers' Compensation Division (WCD) five or more claims for COVID-19 or exposure to SARS-CoV-2 under OAR 436-060-0011.

Review for reasonable investigation prior to denial the claims in which denials have become final. Reasonable investigation includes but is not limited to investigating or making a good-faith effort to investigate, as appropriate:

- Three-point contact - information from the worker, the employer, and medical provider(s) (if any)
- COVID test - whether the worker was tested and, if so, the result of the test
- Medical treatment other than a COVID test - treatment other than a test
- Temporary disability - whether temporary disability was due the worker

For informational purposes, the review may also include tracking statistical information such as the results of COVID tests, whether temporary disability due was paid, or other areas of interest.

Performance Standards

Investigations in all claims reviewed must have been reasonable. WCD may assess civil penalties for claims in which a reasonable investigation was not conducted.

Findings

The insurer conducted reasonable investigations in 17 of 17 claims reviewed. More specifically:

Area of Review	Claims Audited	Reasonably Investigated
Three-point Contact	17	17
COVID Test	17	17
Medical Treatment other than a Test	17	17
Temporary Disability	17	17

Explanation of Violations by Claim

No violations were found.

Special Findings / Observations

In one claim, 005484005581WC01, temporary disability was due and paid but the claim was reported as a non-disabling claim. It appears temporary disability was paid on one other claim, 005484005582WC01, that may not have been due, and this claim was also reported as nondisabling. Authorization for temporary disability was not found in the claim record. These findings are not relevant to the investigation of the claim and are noted for informational purposes only.

All workers were tested for COVID-19; fifteen test results were negative and no presumptive diagnoses were found. In two claims, 005484005747WC01 & 005484005778WC01, the auditor could not determine if the worker tested positive or negative for COVID-19, because the information in the claim record was conflicting.

Most claims appeared to have been initiated by the employer or the medical provider who authorized testing for COVID, rather than by workers. Nonetheless, the claims processor investigated and processed the claims to a standard at or above that of industry norms for other claims. For example, most workers worked for a healthcare facility and the employer conducted testing either on a routine basis or if workers were experiencing any symptoms. The processor also made extensive efforts in some claims to contact non-responsive workers and obtain their statements.

The claims processor paid related medical bills in most claims, regardless of claim denial, for testing, office visits or telehealth exams to prescribe tests, etc.

DEPARTMENT OF CONSUMER AND BUSINESS SERVICES

WORKERS' COMPENSATION DIVISION



COVID-19 Denied Claims Audit

Final Report

January 2021

Insurer

Federal Insurance Company

Service Company

Gallagher Bassett Services, Inc.

Auditor(s)

Barbara Belcher
Troy Painter

Introduction

Oregon's workers' compensation law does not contain a presumption of compensability for claims for COVID-19 or exposure to SARS-CoV-2. To address the processing of these claims, the Oregon Workers' Compensation Division (WCD) filed a temporary Oregon Administrative Rule (OAR), 436-060-0141, effective October 1, 2020. In part, the rule requires WCD, under specified circumstances, to audit claims that were denied by insurers.

Under WCD's statutory authority, the review is limited to reasonableness of investigation and does not include compensability determination. Issues of compensability are under the jurisdiction of the Workers' Compensation Board and are not subject to review by WCD.

All claims involved in this audit were filed before additional investigation standards were implemented by OAR 436-060-0141 on October 1, 2020, and were not subject to its new investigation standards. The previously existing standard outlined in OAR 436-060-0140(1), below, establishes the standard for this audit.

OAR 436-060-0140(1): The insurer is required to conduct a "reasonable" investigation based on all available information in determining whether to deny a claim.

(a) A reasonable investigation is whatever steps a reasonably prudent person with knowledge of the legal standards for determining compensability would take in a good faith effort to ascertain the facts underlying a claim, giving due consideration to the cost of the investigation and the likely value of the claim.

(b) In determining whether an investigation is reasonable, the director will only look at information contained in the insurer's claim record at the time of denial. The insurer may not rely on any fact not documented in the claim record at the time of denial to establish that an investigation was reasonable.

Company Description

Federal Insurance Company provides workers' compensation insurance for Oregon employers. WCD audited claims processed by Gallagher Bassett Services Inc., 10220 SW Greenburg Road, Suite 500, Portland, Oregon.

Objective

Assess compliance with Oregon Administrative Rule (OAR) 436-060-0140(1) relating to the investigation of claims for COVID-19 or exposure to SARS-CoV-2.

Test Methods

Select all denied claims for COVID-19 or exposure to SARS-CoV-2 for insurers that, as of October 1, 2020, reported to the Workers' Compensation Division (WCD) five or more claims for COVID-19 or exposure to SARS-CoV-2 under OAR 436-060-0011.

Review for reasonable investigation prior to denial the claims in which denials have become final. Reasonable investigation includes but is not limited to investigating or making a good-faith effort to investigate, as appropriate:

- Three-point contact - information from the worker, the employer, and medical provider(s) (if any)
- COVID test - whether the worker was tested and, if so, the result of the test
- Medical treatment other than a COVID test - treatment other than a test
- Temporary disability - whether temporary disability was due the worker

For informational purposes, the review may also include tracking statistical information such as the results of COVID tests, whether temporary disability due was paid, or other areas of interest.

Performance Standards

Investigations in all claims reviewed must have been reasonable. WCD may assess civil penalties for claims in which a reasonable investigation was not conducted.

Findings

The insurer conducted reasonable investigations in 6 of 6 claims reviewed. More specifically:

Area of Review	Claims Audited	Reasonably Investigated
Three-point Contact	6	6
COVID Test	6	6
Medical Treatment other than a Test	6	6
Temporary Disability	6	6

Explanation of Violations by Claim

No violations were found.

Special Findings / Observations

In all claims, the workers tested positive for COVID-19.

Auditors could not determine if temporary disability was due on four claims because the insurer did not ascertain if the workers lost wages or obtain authorization. The processor attempted to obtain medical records but many of the requests were denied by the medical provider. Temporary disability was not due or payable on two claims.

DEPARTMENT OF CONSUMER AND BUSINESS SERVICES

WORKERS' COMPENSATION DIVISION



COVID-19 Denied Claims Audit

Final Report

January 2021

Insurer

Guideone Mutual Insurance Company

Service Company

Corvel Enterprise Group, Inc.

Auditor(s)

Barbara Belcher
Troy Painter

Introduction

Oregon's workers' compensation law does not contain a presumption of compensability for claims for COVID-19 or exposure to SARS-CoV-2. To address the processing of these claims, the Oregon Workers' Compensation Division (WCD) filed a temporary Oregon Administrative Rule (OAR), 436-060-0141, effective October 1, 2020. In part, the rule requires WCD, under specified circumstances, to audit claims that were denied by insurers.

Under WCD's statutory authority, the review is limited to reasonableness of investigation and does not include compensability determination. Issues of compensability are under the jurisdiction of the Workers' Compensation Board and are not subject to review by WCD.

All claims involved in this audit were filed before additional investigation standards were implemented by OAR 436-060-0141 on October 1, 2020, and were not subject to its new investigation standards. The previously existing standard outlined in OAR 436-060-0140(1), below, establishes the standard for this audit.

OAR 436-060-0140(1): The insurer is required to conduct a "reasonable" investigation based on all available information in determining whether to deny a claim.

(a) A reasonable investigation is whatever steps a reasonably prudent person with knowledge of the legal standards for determining compensability would take in a good faith effort to ascertain the facts underlying a claim, giving due consideration to the cost of the investigation and the likely value of the claim.

(b) In determining whether an investigation is reasonable, the director will only look at information contained in the insurer's claim record at the time of denial. The insurer may not rely on any fact not documented in the claim record at the time of denial to establish that an investigation was reasonable.

Company Description

GuideOne Mutual Insurance Company provides workers' compensation insurance to Oregon employers. WCD audited claims processed by CorVel Enterprise Comp, Inc., 10200 SW Greenburg Rd., Ste. 150, Portland, Oregon.

Objective

Assess compliance with Oregon Administrative Rule (OAR) 436-060-0140(1) relating to the investigation of claims for COVID-19 or exposure to SARS-CoV-2.

Test Methods

Select all denied claims for COVID-19 or exposure to SARS-CoV-2 for insurers that, as of October 1, 2020, reported to the Workers' Compensation Division (WCD) five or more claims for COVID-19 or exposure to SARS-CoV-2 under OAR 436-060-0011.

Review for reasonable investigation prior to denial the claims in which denials have become final. Reasonable investigation includes but is not limited to investigating or making a good-faith effort to investigate, as appropriate:

- Three-point contact - information from the worker, the employer, and medical provider(s) (if any)
- COVID test - whether the worker was tested and, if so, the result of the test
- Medical treatment other than a COVID test - treatment other than a test
- Temporary disability - whether temporary disability was due the worker

For informational purposes, the review may also include tracking statistical information such as the results of COVID tests, whether temporary disability due was paid, or other areas of interest.

Performance Standards

Investigations in all claims reviewed must have been reasonable. WCD may assess civil penalties for claims in which a reasonable investigation was not conducted.

Findings

The insurer conducted reasonable investigations in 24 of 24 claims reviewed. More specifically:

Area of Review	Claims Audited	Reasonably Investigated
Three-point Contact	24	24
COVID Test	24	24
Medical Treatment other than a Test	24	24
Temporary Disability	24	24

Explanation of Violations by Claim

No violations were found.

Special Findings / Observations

Most claims appeared to have been initiated by the employer or by the medical provider who authorized testing for COVID, rather than by workers. Nonetheless, the claims processor investigated and processed the claims to a standard at or above that of industry norms for other claims. For example, the processor made extensive efforts in many claims to contact non-responsive workers and obtain their statements. Statements taken were quite thorough.

All workers were tested for COVID-19; twenty-three of the twenty-four workers tested negative and no presumptive diagnoses were found.

Temporary disability benefits were paid in all claims in which they were due.

Most claims were for workers from care facilities that had workers tested for COVID on a precautionary basis. All of these workers tested negative for COVID.

DEPARTMENT OF CONSUMER AND BUSINESS SERVICES

WORKERS' COMPENSATION DIVISION



COVID-19 Denied Claims Audit

Final Report

January 2021

Insurer

Indemnity Insurance Company of North America

Service Companies

ESIS, Inc.

Sedgwick Claims Management Services, Inc.

Auditor(s)

Barbara Belcher
Troy Painter

Introduction

Oregon's workers' compensation law does not contain a presumption of compensability for claims for COVID-19 or exposure to SARS-CoV-2. To address the processing of these claims, the Oregon Workers' Compensation Division (WCD) filed a temporary Oregon Administrative Rule (OAR), 436-060-0141, effective October 1, 2020. In part, the rule requires WCD, under specified circumstances, to audit claims that were denied by insurers.

Under WCD's statutory authority, the review is limited to reasonableness of investigation and does not include compensability determination. Issues of compensability are under the jurisdiction of the Workers' Compensation Board and are not subject to review by WCD.

All claims involved in this audit were filed before additional investigation standards were implemented by OAR 436-060-0141 on October 1, 2020, and were not subject to its new investigation standards. The previously existing standard outlined in OAR 436-060-0140(1), below, establishes the standard for this audit.

OAR 436-060-0140(1): The insurer is required to conduct a "reasonable" investigation based on all available information in determining whether to deny a claim.

(a) A reasonable investigation is whatever steps a reasonably prudent person with knowledge of the legal standards for determining compensability would take in a good faith effort to ascertain the facts underlying a claim, giving due consideration to the cost of the investigation and the likely value of the claim.

(b) In determining whether an investigation is reasonable, the director will only look at information contained in the insurer's claim record at the time of denial. The insurer may not rely on any fact not documented in the claim record at the time of denial to establish that an investigation was reasonable.

Company Description

Indemnity Insurance Company of North America provides workers' compensation insurance for Oregon employers. WCD audited claims processed by ESIS, Inc., 12909 SW 68th Parkway, Suite 450, Portland, Oregon and Sedgwick Claims Management Services, Inc., 825 NE Multnomah Street, Suite 1000, Portland, Oregon.

Objective

Assess compliance with Oregon Administrative Rule (OAR) 436-060-0140(1) relating to the investigation of claims for COVID-19 or exposure to SARS-CoV-2.

Test Methods

Select all denied claims for COVID-19 or exposure to SARS-CoV-2 for insurers that, as of October 1, 2020, reported to the Workers' Compensation Division (WCD) five or more claims for COVID-19 or exposure to SARS-CoV-2 under OAR 436-060-0011.

Review for reasonable investigation prior to denial the claims in which denials have become final. Reasonable investigation includes but is not limited to investigating or making a good-faith effort to investigate, as appropriate:

- Three-point contact - information from the worker, the employer, and medical provider(s) (if any)
- COVID test - whether the worker was tested and, if so, the result of the test
- Medical treatment other than a COVID test - treatment other than a test
- Temporary disability - whether temporary disability was due the worker

For informational purposes, the review may also include tracking statistical information such as the results of COVID tests, whether temporary disability due was paid, or other areas of interest.

Performance Standards

Investigations in all claims reviewed must have been reasonable. WCD may assess civil penalties for claims in which a reasonable investigation was not conducted.

ESIS, Inc. Findings

The insurer conducted reasonable investigations in 1 of 1 claims reviewed. More specifically:

Area of Review	Claims Audited	Reasonably Investigated
Three-point Contact	1	1
COVID Test	1	1
Medical Treatment other than a Test	1	1
Temporary Disability	1	1

Explanation of Violations by Claim

No violations were found.

Special Findings / Observations

The worker tested positive for COVID-19 and exposure was traced to having lunch with a coworker who also tested positive. Claim was denial reason was “claimed injury or occupational disease did not occur in the course and scope of employment or arise out of the course and scope of your employment.” However, claim documentation indicates the reason for denying the claim was that the worker had no symptoms despite a positive test. This observation is not relevant to the investigation of the claim and is noted for informational purposes only.

Temporary disability was authorized but temporary disability benefits were not due or paid because the claim was denied within 14 days.

Sedgwick Claims Management Services, Inc. Findings

The insurer conducted reasonable investigations in 1 of 1 claims reviewed. More specifically:

Area of Review	Claims Audited	Reasonably Investigated
Three-point Contact	1	1
COVID Test	1	1
Medical Treatment other than a Test	1	1
Temporary Disability	1	1

Explanation of Violations by Claim

No violations were found.

Special Findings / Observations

The worker was tested for COVID-19; test result was negative. No presumptive diagnosis was found.

Temporary disability benefits were not due or paid.

Two additional denied claims were not eligible to be audited because the denials were not final at the time of review.

DEPARTMENT OF CONSUMER AND BUSINESS SERVICES

WORKERS' COMPENSATION DIVISION



COVID-19 Denied Claims Audit

Final Report

January 2021

Insurer

Kaiser Foundation Health Plan of the Northwest

Service Company

Sedgwick Claims Management Services, Inc.

Auditor(s)

Troy Painter

Introduction

Oregon's workers' compensation law does not contain a presumption of compensability for claims for COVID-19 or exposure to SARS-CoV-2. To address the processing of these claims, the Oregon Workers' Compensation Division (WCD) filed a temporary Oregon Administrative Rule (OAR), 436-060-0141, effective October 1, 2020. In part, the rule requires WCD, under specified circumstances, to audit claims that were denied by insurers.

Under WCD's statutory authority, the review is limited to reasonableness of investigation and does not include compensability determination. Issues of compensability are under the jurisdiction of the Workers' Compensation Board and are not subject to review by WCD.

All claims involved in this audit were filed before additional investigation standards were implemented by OAR 436-060-0141 on October 1, 2020, and were not subject to its new investigation standards. The previously existing standard outlined in OAR 436-060-0140(1), below, establishes the standard for this audit.

OAR 436-060-0140(1): The insurer is required to conduct a "reasonable" investigation based on all available information in determining whether to deny a claim.

(a) A reasonable investigation is whatever steps a reasonably prudent person with knowledge of the legal standards for determining compensability would take in a good faith effort to ascertain the facts underlying a claim, giving due consideration to the cost of the investigation and the likely value of the claim.

(b) In determining whether an investigation is reasonable, the director will only look at information contained in the insurer's claim record at the time of denial. The insurer may not rely on any fact not documented in the claim record at the time of denial to establish that an investigation was reasonable.

Company Description

Kaiser Foundation Health Plan of the Northwest is a self-insured employer that provides workers' compensation insurance coverage to its Oregon employees. WCD audited claims processed by Sedgwick Claims Management Services, Inc., 825 NE Multnomah St., Suite 1000, Portland, Oregon.

Objective

Assess compliance with Oregon Administrative Rule (OAR) 436-060-0140(1) relating to the investigation of claims for COVID-19 or exposure to SARS-CoV-2.

Test Methods

Select all denied claims for COVID-19 or exposure to SARS-CoV-2 for insurers that, as of October 1, 2020, reported to the Workers' Compensation Division (WCD) five or more claims for COVID-19 or exposure to SARS-CoV-2 under OAR 436-060-0011.

Review for reasonable investigation prior to denial the claims in which denials have become final. Reasonable investigation includes but is not limited to investigating or making a good-faith effort to investigate, as appropriate:

- Three-point contact - information from the worker, the employer, and medical provider(s) (if any)
- COVID test - whether the worker was tested and, if so, the result of the test
- Medical treatment other than a COVID test - treatment other than a test
- Temporary disability - whether temporary disability was due the worker

For informational purposes, the review may also include tracking statistical information such as the results of COVID tests, whether temporary disability due was paid, or other areas of interest.

Performance Standards

Investigations in all claims reviewed must have been reasonable. WCD may assess civil penalties for claims in which a reasonable investigation was not conducted.

Findings

The insurer conducted reasonable investigations in 4 of 4 claims reviewed. More specifically:

Area of Review	Claims Audited	Reasonably Investigated
Three-point Contact	4	4
COVID Test	4	4
Medical Treatment other than a Test	4	4
Temporary Disability	4	4

Explanation of Violations by Claim

No violations were found.

Special Findings / Observations

In one claim, #2020040000516, wage continuation paid by the self-insured employer appeared to extend long enough for the claim to be classified as disabling under OAR 436-060-0025(2). The insurer reported the claim to WCD as non-disabling. This finding is not relevant to the investigation of the claim and is noted for informational purposes only.

All four workers were tested for COVID-19; all test results were negative and no presumptive diagnoses were found.

Temporary disability benefits were not due or paid in any claims.

The claims processor paid related medical bills received.

DEPARTMENT OF CONSUMER AND BUSINESS SERVICES

WORKERS' COMPENSATION DIVISION



COVID-19 Denied Claims Audit

Final Report

January 2021

Insurer

LM Insurance Corporation

Auditor(s)

Barbara Belcher
Troy Painter

Introduction

Oregon's workers' compensation law does not contain a presumption of compensability for claims for COVID-19 or exposure to SARS-CoV-2. To address the processing of these claims, the Oregon Workers' Compensation Division (WCD) filed a temporary Oregon Administrative Rule (OAR), 436-060-0141, effective October 1, 2020. In part, the rule requires WCD, under specified circumstances, to audit claims that were denied by insurers.

Under WCD's statutory authority, the review is limited to reasonableness of investigation and does not include compensability determination. Issues of compensability are under the jurisdiction of the Workers' Compensation Board and are not subject to review by WCD.

All claims involved in this audit were filed before additional investigation standards were implemented by OAR 436-060-0141 on October 1, 2020, and were not subject to its new investigation standards. The previously existing standard outlined in OAR 436-060-0140(1), below, establishes the standard for this audit.

OAR 436-060-0140(1): The insurer is required to conduct a "reasonable" investigation based on all available information in determining whether to deny a claim.

(a) A reasonable investigation is whatever steps a reasonably prudent person with knowledge of the legal standards for determining compensability would take in a good faith effort to ascertain the facts underlying a claim, giving due consideration to the cost of the investigation and the likely value of the claim.

(b) In determining whether an investigation is reasonable, the director will only look at information contained in the insurer's claim record at the time of denial. The insurer may not rely on any fact not documented in the claim record at the time of denial to establish that an investigation was reasonable.

Company Description

LM Insurance Corporation provides workers' compensation insurance to Oregon employers. WCD audited claims processed by Liberty Mutual Group, 650 NE Holladay Street, Portland, Oregon.

Objective

Assess compliance with Oregon Administrative Rule (OAR) 436-060-0140(1) relating to the investigation of claims for COVID-19 or exposure to SARS-CoV-2.

Test Methods

Select all denied claims for COVID-19 or exposure to SARS-CoV-2 for insurers that, as of October 1, 2020, reported to the Workers' Compensation Division (WCD) five or more claims for COVID-19 or exposure to SARS-CoV-2 under OAR 436-060-0011.

Review for reasonable investigation prior to denial the claims in which denials have become final. Reasonable investigation includes but is not limited to investigating or making a good-faith effort to investigate, as appropriate:

- Three-point contact - information from the worker, the employer, and medical provider(s) (if any)
- COVID test - whether the worker was tested and, if so, the result of the test
- Medical treatment other than a COVID test - treatment other than a test
- Temporary disability - whether temporary disability was due the worker

For informational purposes, the review may also include tracking statistical information such as the results of COVID tests, whether temporary disability due was paid, or other areas of interest.

Performance Standards

Investigations in all claims reviewed must have been reasonable. WCD may assess civil penalties for claims in which a reasonable investigation was not conducted.

Findings

The insurer conducted reasonable investigations in 24 of 24 claims reviewed. More specifically:

Area of Review	Claims Audited	Reasonably Investigated
Three-point Contact	24	24
COVID Test	24	24
Medical Treatment other than a Test	24	24
Temporary Disability	24	24

Explanation of Violations by Claim

No violations were found.

Special Findings / Observations

Most claims appeared to have been initiated by the employer or by the medical provider who authorized testing for COVID, rather than by workers. Nonetheless, the claims processor investigated and processed the claims to a standard at or above that of industry norms for other claims.

Eighteen of the twenty-four workers were tested for COVID-19. Thirteen workers tested positive, four tested negative, and one result was unknown. No presumptive diagnoses were found.

Temporary disability benefits were not due or paid in 22 of the 24 claims. In the other two claims, WC608-D42991 and WC608-D42990, the workers did not lose wages because the insured employer continued paying wages. This finding is not relevant to the investigation of the claim but is included for informational purposes.

DEPARTMENT OF CONSUMER AND BUSINESS SERVICES

WORKERS' COMPENSATION DIVISION



COVID-19 Denied Claims Audit

Final Report

January 2021

Insurer

New Hampshire Insurance Company

Service Company

AIG Claims, Inc.
Helmsman Management Services

Auditor(s)

Barbara Belcher

Introduction

Oregon's workers' compensation law does not contain a presumption of compensability for claims for COVID-19 or exposure to SARS-CoV-2. To address the processing of these claims, the Oregon Workers' Compensation Division (WCD) filed a temporary Oregon Administrative Rule (OAR), 436-060-0141, effective October 1, 2020. In part, the rule requires WCD, under specified circumstances, to audit claims that were denied by insurers.

Under WCD's statutory authority, the review is limited to reasonableness of investigation and does not include compensability determination. Issues of compensability are under the jurisdiction of the Workers' Compensation Board and are not subject to review by WCD.

All claims involved in this audit were filed before additional investigation standards were implemented by OAR 436-060-0141 on October 1, 2020, and were not subject to its new investigation standards. The previously existing standard outlined in OAR 436-060-0140(1), below, establishes the standard for this audit.

OAR 436-060-0140(1): The insurer is required to conduct a "reasonable" investigation based on all available information in determining whether to deny a claim.

(a) A reasonable investigation is whatever steps a reasonably prudent person with knowledge of the legal standards for determining compensability would take in a good faith effort to ascertain the facts underlying a claim, giving due consideration to the cost of the investigation and the likely value of the claim.

(b) In determining whether an investigation is reasonable, the director will only look at information contained in the insurer's claim record at the time of denial. The insurer may not rely on any fact not documented in the claim record at the time of denial to establish that an investigation was reasonable.

Company Description

New Hampshire Insurance Company provides workers' compensation insurance for Oregon employers. WCD audited claims processed by AIG Claims, Inc., 222 SW Columbia Street, Suite 700, Portland, Oregon and Helmsman Management Services, LLC, 650 NE Holladay Street, Portland, Oregon.

Objective

Assess compliance with Oregon Administrative Rule (OAR) 436-060-0140(1) relating to the investigation of claims for COVID-19 or exposure to SARS-CoV-2.

Test Methods

Select all denied claims for COVID-19 or exposure to SARS-CoV-2 for insurers that, as of October 1, 2020, reported to the Workers' Compensation Division (WCD) five or more claims for COVID-19 or exposure to SARS-CoV-2 under OAR 436-060-0011.

Review for reasonable investigation prior to denial the claims in which denials have become final. Reasonable investigation includes but is not limited to investigating or making a good-faith effort to investigate, as appropriate:

- Three-point contact - information from the worker, the employer, and medical provider(s) (if any)
- COVID test - whether the worker was tested and, if so, the result of the test
- Medical treatment other than a COVID test - treatment other than a test
- Temporary disability - whether temporary disability was due the worker

For informational purposes, the review may also include tracking statistical information such as the results of COVID tests, whether temporary disability due was paid, or other areas of interest.

Performance Standards

Investigations in all claims reviewed must have been reasonable. WCD may assess civil penalties for claims in which a reasonable investigation was not conducted.

AIG Claims, Inc. Findings

The insurer conducted reasonable investigations in 1 of 1 claims reviewed. More specifically:

Area of Review	Claims Audited	Reasonably Investigated
Three-point Contact	1	1
COVID Test	1	1
Medical Treatment other than a Test	1	1
Temporary Disability	1	1

Explanation of Violations by Claim

No violations were found.

Special Findings / Observations

The claim was filed for possible exposure and the worker was tested for COVID-19; test result was negative.

Temporary disability benefits were not due or paid.

The medical bills were paid through the employer’s medical insurance.

Helmsman Management Services, LLC Findings

The insurer conducted reasonable investigations in 2 of 2 claims reviewed. More specifically:

Area of Review	Claims Audited	Reasonably Investigated
Three-point Contact	2	2
COVID Test	2	2
Medical Treatment other than a Test	2	2
Temporary Disability	2	2

Explanation of Violations by Claim

No violations were found.

Special Findings / Observations

Both workers were tested for COVID-19; one worker tested positive, the other tested negative. No presumptive diagnoses were found.

Temporary disability benefits were not due or paid in any claims because the workers had not lost any wages.

DEPARTMENT OF CONSUMER AND BUSINESS SERVICES

WORKERS' COMPENSATION DIVISION



COVID-19 Denied Claims Audit

Final Report

January 2021

Insurer

Providence Health & Services - Oregon

Service Company

Sedgwick Claims Management Services, Inc.

Auditor(s)

Troy Painter

Introduction

Oregon's workers' compensation law does not contain a presumption of compensability for claims for COVID-19 or exposure to SARS-CoV-2. To address the processing of these claims, the Oregon Workers' Compensation Division (WCD) filed a temporary Oregon Administrative Rule (OAR), 436-060-0141, effective October 1, 2020. In part, the rule requires WCD, under specified circumstances, to audit claims that were denied by insurers.

Under WCD's statutory authority, the review is limited to reasonableness of investigation and does not include compensability determination. Issues of compensability are under the jurisdiction of the Workers' Compensation Board and are not subject to review by WCD.

All claims involved in this audit were filed before additional investigation standards were implemented by OAR 436-060-0141 on October 1, 2020, and were not subject to its new investigation standards. The previously existing standard outlined in OAR 436-060-0140(1), below, establishes the standard for this audit.

OAR 436-060-0140(1): The insurer is required to conduct a "reasonable" investigation based on all available information in determining whether to deny a claim.

(a) A reasonable investigation is whatever steps a reasonably prudent person with knowledge of the legal standards for determining compensability would take in a good faith effort to ascertain the facts underlying a claim, giving due consideration to the cost of the investigation and the likely value of the claim.

(b) In determining whether an investigation is reasonable, the director will only look at information contained in the insurer's claim record at the time of denial. The insurer may not rely on any fact not documented in the claim record at the time of denial to establish that an investigation was reasonable.

Company Description

Providence Health & Services - Oregon is a self-insured employer that provides workers' compensation insurance coverage to its Oregon employees. WCD audited claims processed by Sedgwick Claims Management Services, Inc., 825 NE Multnomah St., Suite 1000, Portland, Oregon.

Objective

Assess compliance with Oregon Administrative Rule (OAR) 436-060-0140(1) relating to the investigation of claims for COVID-19 or exposure to SARS-CoV-2.

Test Methods

Select all denied claims for COVID-19 or exposure to SARS-CoV-2 for insurers that, as of October 1, 2020, reported to the Workers' Compensation Division (WCD) five or more claims for COVID-19 or exposure to SARS-CoV-2 under OAR 436-060-0011.

Review for reasonable investigation prior to denial the claims in which denials have become final. Reasonable investigation includes but is not limited to investigating or making a good-faith effort to investigate, as appropriate:

- Three-point contact - information from the worker, the employer, and medical provider(s) (if any)
- COVID test - whether the worker was tested and, if so, the result of the test
- Medical treatment other than a COVID test - treatment other than a test
- Temporary disability - whether temporary disability was due the worker

For informational purposes, the review may also include tracking statistical information such as the results of COVID tests, whether temporary disability due was paid, or other areas of interest.

Performance Standards

Investigations in all claims reviewed must have been reasonable. WCD may assess civil penalties for claims in which a reasonable investigation was not conducted.

Findings

The insurer conducted reasonable investigations in 50 of 50 claims reviewed. More specifically:

Area of Review	Claims Audited	Reasonably Investigated
Three-point Contact	50	50
COVID Test	50	50
Medical Treatment other than a Test	50	50
Temporary Disability	50	50

Explanation of Violations by Claim

No violations were found.

Special Findings / Observations

In one claim, #202003245450001, wage continuation paid by the self-insured employer appeared to extend long enough - more than a week - for the claim to be classified as disabling under OAR 436-060-0025(2). The insurer reported the claim to WCD as non-disabling. This finding is not relevant to the investigation of the claim and is noted for informational purposes only.

Most claims appeared to have been initiated by the employer or by the medical provider who authorized testing for COVID, rather than by workers. Nonetheless, the claims processor investigated and processed the claims to a standard at or above that of industry norms for other claims. For example, in some claims the processor waited days or weeks after a worker tested negative for COVID to see if symptoms developed before denying the claim. The processor also made extensive efforts to contact non-responsive workers and obtain their statements. Statements taken were thorough, particularly for non-disabling claims.

Forty-three of the fifty workers were tested for COVID-19; all test results were negative and no presumptive diagnoses were found.

Temporary disability benefits were not due or paid in any claims because the self-insured employer continued paying wages.

The claims processor paid related medical bills received, regardless of claim denial, for testing, office visits or telehealth exams to prescribe tests, etc. The processor actively informed workers to forward any bills to the processor for payment.

Twenty-seven additional denied claims were not eligible to be audited because the denials were not final at the time of review.

DEPARTMENT OF CONSUMER AND BUSINESS SERVICES

WORKERS' COMPENSATION DIVISION



COVID-19 Denied Claims Audit

Final Report

January 2021

Insurer

SAIF Corporation

Auditor(s)

Barbara Belcher
Troy Painter

Introduction

Oregon's workers' compensation law does not contain a presumption of compensability for claims for COVID-19 or exposure to SARS-CoV-2. To address the processing of these claims, the Oregon Workers' Compensation Division (WCD) filed a temporary Oregon Administrative Rule (OAR), 436-060-0141, effective October 1, 2020. In part, the rule requires WCD, under specified circumstances, to audit claims that were denied by insurers.

Under WCD's statutory authority, the review is limited to reasonableness of investigation and does not include compensability determination. Issues of compensability are under the jurisdiction of the Workers' Compensation Board and are not subject to review by WCD.

All claims involved in this audit were filed before additional investigation standards were implemented by OAR 436-060-0141 on October 1, 2020, and were not subject to its new investigation standards. The previously existing standard outlined in OAR 436-060-0140(1), below, establishes the standard for this audit.

OAR 436-060-0140(1): The insurer is required to conduct a "reasonable" investigation based on all available information in determining whether to deny a claim.

(a) A reasonable investigation is whatever steps a reasonably prudent person with knowledge of the legal standards for determining compensability would take in a good faith effort to ascertain the facts underlying a claim, giving due consideration to the cost of the investigation and the likely value of the claim.

(b) In determining whether an investigation is reasonable, the director will only look at information contained in the insurer's claim record at the time of denial. The insurer may not rely on any fact not documented in the claim record at the time of denial to establish that an investigation was reasonable.

Company Description

SAIF Corporation provides workers' compensation insurance for Oregon employers and self-administers all of its claims at 400 High St. SE, Salem, Oregon.

Objective

Assess compliance with Oregon Administrative Rule (OAR) 436-060-0140(1) relating to the investigation of claims for COVID-19 or exposure to SARS-CoV-2.

Test Methods

Select all denied claims for COVID-19 or exposure to SARS-CoV-2 for insurers that, as of October 1, 2020, reported to the Workers' Compensation Division (WCD) five or more claims for COVID-19 or exposure to SARS-CoV-2 under OAR 436-060-0011.

Review for reasonable investigation prior to denial the claims in which denials have become final. Reasonable investigation includes but is not limited to investigating or making a good-faith effort to investigate, as appropriate:

- Three-point contact - information from the worker, the employer, and medical provider(s) (if any)
- COVID test - whether the worker was tested and, if so, the result of the test
- Medical treatment other than a COVID test - treatment other than a test
- Temporary disability - whether temporary disability was due the worker

For informational purposes, the review may also include tracking statistical information such as the results of COVID tests, whether temporary disability due was paid, or other areas of interest.

Performance Standards

Investigations in all claims reviewed must have been reasonable. WCD may assess civil penalties for claims in which a reasonable investigation was not conducted.

Findings

The insurer conducted reasonable investigations in 91 of 91 claims reviewed. More specifically:

Area of Review	Claims Audited	Reasonably Investigated
Three-point Contact	91	91
COVID Test	91	91
Medical Treatment other than a Test	91	91
Temporary Disability	91	91

Explanation of Violations by Claim

No violations were found.

Special Findings / Observations

Many claims appeared to have been initiated by the employer or the medical provider who authorized testing for COVID, rather than by workers. Nonetheless, the insurer investigated and processed the claims to a standard at or above that of industry norms for other claims. For example, the processor made extensive efforts in some claims to contact non-responsive workers and obtain their statements. Statements taken were thorough.

Fifty-eight of the ninety-one workers were tested for COVID-19; thirty-eight results were negative, eighteen were positive, one result was not found in the file, and one worker had negative and positive results. One presumptive diagnosis was found.

Temporary disability benefits were paid in all claims in which disability was due and in some claims when not due (not authorized by a qualified medical provider or the claim was denied within fourteen days of the employer’s date of knowledge). This finding is not relevant to the investigation of the claim and is noted for informational purposes only.

The insurer often paid related medical bills received, regardless of claim denial, for testing, office visits or telehealth exams to prescribe tests, etc.

Three additional denied claims were not eligible to be audited because the denials were not final at the time of review.