



MEMORANDUM

10/10/2017

To: Fred Bruyns, Rules Coordinator

CC: Barbra Hall, SIRR Manager
Adam Breitenstein, Performance Manager
Lou Savage, Administrator

From: Jason Cupp, Self-Insurance Auditor

Subject: Proposed rule changes affecting OAR 436-050

Issue

In order to implement House Bills 2186 and 2336 (2017), the Workers' Compensation Division proposed rule changes to OAR 436-050 and scheduled a public hearing for October 20, 2017. A review by staff in the affected program area has generated additional suggestions.

This memo constitutes staff testimony that will be entered into the record.

Recommendations

First, the word "maximum" from OAR 436-050-0175(3)(a)(C) should be removed. This paragraph currently requires self-insured employers to report the number of claims for which the maximum medical reimbursement amount is claimed. The preceding section, OAR 436-050-0175(3)(a)(B), already has a proposed amendment to remove the word "maximum" to require self-insured employers to report all medical reimbursement amounts to the director, including amounts below the maximum. A similar revision is needed in OAR 436-050-0175(3)(a)(C) to ensure that the number of claims reported includes all claims for which medical reimbursement is requested.

Next, the division should remove the paragraph added to OAR 436-050-0175(3)(b), requiring self-insured employers to report the medical reimbursement amount per claim in the non-experience period. These previously reimbursed amounts are already reflected in the total paid losses reported for the claim. Because paid losses in the non-experience period do not affect the self-insured employer's experience rating, security deposit, or other amounts due, the division does not need this information to be reported in the annual report of losses. The requirement should be removed to avoid potential confusion or misinterpretation of how the reimbursements are applied in the non-experience period.