Workers Compensation Law

C H A P T E R 9

**Key Terms and Definitions**

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| 9 | Disability ratings | A determination by a medical provider of |
|  | the percentage of an injured worker’s |
|  | temporary or permanent impairment due |
|  |  | to a work-related injury or illness. |
|  | Evidence-based medicine | An approach to medical treatment that |
|  |  | focuses on proven data collection, peer |
|  |  | review, and scientific analysis. |
|  | Generic drug | A chemical and molecular duplicate of a |
|  |  | drug that has an expired patent. |
|  | Medical fee schedules | A schedule or code of all possible |
|  |  | treatments, therapies, and medical services |
|  |  | provided along with a maximum payment |
|  |  | authorized for each. |
|  | Medical utilization | The review of medical procedures to |
|  |  | ensure that they are effective both for |
|  |  | medical purposes and for overall cost |
|  |  | reduction. |
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| Near miss report | A report that details a potential |
|  | problem or an accident or injury that |
|  | did not actually occur, but would have |
|  | caused injuries if it had. |
| Preemployment screening | Testing and evaluation of an applicant’s |
|  | physical abilities to ensure that he or |
|  | she can perform the work duties |
|  | assigned to reduce potential workers’ |
|  | compensation claims. |
|  |  |

**True/ False**

|  |  |  |  |
| --- | --- | --- | --- |
| **1.** | T | F | It is unlawful for an employer to ask for an employee’s |
|  |  |  | height and weight. |
| **2.** | T | F | A “near miss” report is created by the insurance |
|  |  |  | company to detail the employee’s injuries. |
| **3.** | T | F | Studies have shown that workers with higher incomes |
|  |  |  | generally receive better medical care than workers with |
|  |  |  | lower incomes. |
| **4.** | T | F | Fraud is generally not a concern in workers’ compensation |
|  |  |  | cases. |
| **5.** | T | F | Most doctors are well trained in how to arrive at a |
|  |  |  | disability rating in a workers’ compensation case. |
| **6.** | T | F | Evidence-based medicine is not based on scientific |
|  |  |  | principles. |
| **7.** | T | F | Most modern employers do not take into account the |
|  |  |  | safety and comfort of their workers. |
| **8.** | T | F | Medical utilization is not an important aspect of all |
|  |  |  | workers’ compensation cases. |
| **9.** | T | F | Preemployment screening is unlawful. |
| **10.** | T | F | Generic drugs do not have the same chemical formula |
|  |  |  | as name brands. |

**Multiple Choice**

1. **A chemical and molecular duplicate of a drug that has an expired patent:**
   1. Clone
   2. Generic drug
   3. Facsimile
   4. All of the above
2. **The name for the review of medical procedures that ensure that procedures are effective both for medical purposes and for overall cost reduction.**
   1. Medical utilization
   2. Cost-benefit analysis
   3. Customer review
   4. Peer review
3. **A term for law offices that take on questionable cases at best and outright fraudulent cases at worst, all with an eye toward moving as many cases toward settlement as possible and thus increasing the fees paid to the law office.**
   1. Legal mills
   2. Sham offices
   3. Shyster offices
   4. None of the above
4. **A determination by a medical provider of the percentage of an injured worker’s temporary or permanent impairment due to a work-related injury or illness**
   1. Access determination
   2. Related finding
   3. Finding of fact
   4. Disability rating
5. **A process used by many employers to identify employees who may have physical problems before they actually begin working.**
   1. Work stop evaluation
   2. Preemployment screening

* 1. Post operative evaluation
  2. All of the above

1. **An approach to medical treatment that focuses on proven data collection, peer review, and scientific analysis.**
   1. Retroactive immunity
   2. Postactive response
   3. Evidence-based medicine
   4. Forced share evaluation
2. **The review of medical procedures to ensure that they are effec-tive both for medical purposes and for overall cost reduction.**
   1. Medical utilization
   2. Concern-basis review
   3. Served interests examination
   4. A and B, but not C
3. **How much did medical costs increase in workers’ compensation cases between 1997 and 2002?**
   1. 25%
   2. 50%
   3. 100%
   4. 125%
4. **The name for the schedule or code of all possible treatments, therapies, and medical services provided along with a maximum payment authorized for each.**
   1. Medical fee schedule
   2. Medical cost charge sheet
   3. Injury fee system
   4. None of the above
5. **Which of the following is not a major area of fraudulent claims in workers’ compensation cases?**
   1. Billing for services that were never provided
   2. Legal “mills”
   3. Medical “mills”
   4. All of the above are examples of fraudulent practices

**Short Answers**

1. **Explain evidence-based medicine.**
2. **Why is it recommended that physicians receive additional training in disability ratings?**
3. **Why would generic drugs help keep costs down in workers’ compensation cases?**
4. **Explain the initiatives to better train claims handlers.**
5. **Can employers be sanctioned for wrongfully denying workers’ compensation benefits? Explain.**
6. **List and describe at least four of the proposals to make major changes to the workers’ compensation system.**
7. **Why is fraud such a concern in workers’ compensation cases?**
8. **What is medical utilization?**
9. **What are “legal mills?”**
10. **How do employers use preemployment testing to assist with workers’ compensation cases?**

**Case Study 1**

Darrell has applied to work for GHI Electronics. They have directed him to a private company for a preemployment screening.

**Questions About Case Study**

1. **Which of the following is not a qualified preemployment screening?**
   1. Cardio-vascular work-up
   2. Urine screen
   3. Sexual orientation
   4. Designated weight lift
2. **Darrell has been asked by the company to waive his workers’ compensation benefits in exchange for being hired. Is this legal?**
   1. Yes
   2. No, because no worker is ever allowed to waive workers’ compensa-tion coverage.

* 1. No, because Darrell has a constitutional right to workers’ compensation coverage.
  2. No, because waiving workers’ compensation coverage cannot be made a condition of employment.

1. **Once Darrell was employed, he suffered an injury. He filed a claim with the company and it was approved. During his recov-ery, a case manager closely monitors his medical costs and treat-ment. What is this process called?**
   1. Environmentally friendly counseling.
   2. Medical utilization.
   3. Over compensation.
   4. No such procedure is permitted.

**Case Study 2**

Polly is the Human Resources Manager for WXY Corporation. She has recently been charged with the duty of revamping the company’s workers’ compensation coverage.

**Questions About Case Study**

1. **One innovation that Polly is considering is to track such things as how long it took for an employee to receive certain medications and the efficacy of delivering certain medicines or treatments within a specified period of time. What is this process called?**
   1. Evidence-based medicine
   2. Medical causation
   3. Delinquency
   4. Circumspection
2. **Polly has determined that local physicians have not been properly trained to determine the extent of an injured worker’s disability and to specify the range of that disability. Polly suggests that local physicians be retrained in ——— ratings.**
   1. Fortune
   2. Physical
   3. Descending
   4. Disability

* 1. **Polly begins a new program to ferret out fraudulent workers’ compensation claims. She finds all of the following practices to be common among those employees who have filed fraudulent claims. Which one of the following is not typically seen as a fraudulent technique?**
     1. Billing for services that were never provided
     2. Identity theft
     3. Medical “mills”
     4. Abusive billing practices

**ANSWERS**

CHAPTER 9

True /False

1. False

2. False

3. True

4. False

5. False

6. False

7. False

8. False

9. False

10. False

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Multiple Choice

1. B

2. A

3. A

4. D

5. B

6. C

7. A

8. D

9. A

10. D

Short Answers

1. When medical providers institute an evidence-based medicine approach, they focus on data, tracking such things as how long it took for a patient to receive certain medications and the effi-cacy of delivering certain medicines or treatments within a specified period of time.

2. In most states, there are no standards to train physicians or other medical providers in disability ratings. This results in a disparate system, with disability ratings depending very much on the outlook and personality of the doctor instead of all objective factors of the injury or illness.

3. Generic drugs are medical compounds that have the same molecular structure as brand name drugs, but are significantly cheaper. Because they are cheaper than name-brand drugs, they would save the worker and the insurance provider consid-erable amounts of money each year.

4. Many claims handlers have huge caseloads and many do not receive adequate training, let alone continuing education on a yearly basis. By requiring annual continuing education that will introduce claims handlers to the latest in software and techno-logical advances, there is a far better chance that an individual claim will move more quickly through the system.

5. Yes, employers can be sanctioned for wrongfully denying workers’ compensation benefits. Some states are allowed to assess a 10 percent of the total medical costs as a penalty, even for a relatively minor violation.

6. Some of the major proposals to reform the workers’ compensation system include generic drug initiatives, proposals to retrain case managers, better education of physicians in disability ratings, and a push to initiate medical utilization techniques throughout the workers’ compensation benefit structure.

7. Fraud comes in a variety of forms, from malingering employees who exaggerate or even manufacture symptoms to doctors who pile on unneeded and costly medical procedures to insurance companies who deliberately delay paying out benefits on claims with obvious merit. All of these practices cost the state workers’ compensation systems millions of dollars.

8. Medical utilization refers to the process of tracking medical treatment and costs, as well as the methods to make the system work more efficiently and economically.

9. Legal mills are law firms who take on huge numbers of client employees who have questionable cases.

10. Employers use preemployment screenings as a way to discovery any potential physical issues before a person becomes an employee. The purpose of this testing is to ensure that the worker can perform the routine tasks associated with the job, as well as determine individuals who are at risk for potential workers’ compensation claims.

Case Study 1

1. C

2. D

3. B

Case Study 2

1. A

2. D

3. B