



Department of Employee Relations

**Marvin E. Pratt**  
Acting Mayor

**Florence Dukes**  
Director

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Executive Director

**Michael Brady**  
Employee Benefits Director

F&P  
# 3  
2-26-04

February 18, 2004

The Honorable Common Council  
Committee on Finance & Personnel  
200 East Wells Street, Room 205  
Milwaukee, WI 53202

Re: Increased Staffing Positions in the Worker's Compensation Section

Dear Committee Members:

This is a formal request to add three staff members to the City of Milwaukee, Department of Employee Relations-Employee Benefits Division-Workers Compensation Section. This request we feel is necessary based on the monitored requirements from the State Of Wisconsin, Workers Compensation Division. Although the State has always monitored performance to a degree, manually, the addition of all of the Pending reports to an automatic monitoring system has had an enormous impact both on the volume of work and the additional labor hours required to produce that work.

The positions requested are: one Claims Processor at pay grade 460, one Claims Adjuster at salary grade 2 and one Management Services Adjuster at salary grade 3.

The following will detail the reasons for the above requests. The critical issue is we were assessed 28 penalties for the calendar year 2003. In the prior year we had only one. Our current claim inventory is 1537. The average claims per Adjuster at each Adjusting level are: Claims Adjusters: 141; Seniors, Specialist, Litigation: 115; Claims Representatives: 212. See the attached Exhibit (A) for a description of the type of claims adjusted at each level. We received 4,783 new claims in 2003. In addition 1103 were recalled from previously closed claims from 2003 and previous years. These claims are usually an indication of time lost or excessive treatment beyond what is considered normal for the injury involved. In addition, approximately 25% of all new claims result in time lost from work.

These claims, in addition to the recalled claims are reportable to the State Of Wisconsin and are subject to the State's monitoring guidelines when the lost time exceeds 3 days. The monitoring areas of concern are; 1) the promptness of submitting the first report of injury; 2) the promptness of submitting wage reports; 3) the promptness of responding to claim correspondence and 4) Penalties.

For each lost time claim that is reportable to the State, the following reports are due in order to comply with Chapter DWD 80.02: 1) the first report of accident (WKC-12) must be reported on or before the 14<sup>th</sup> day following the injury; 2) the initial supplementary report (WKC13) which lists the manner in which the injured employee is to be compensated must be reported within 30 days of the date of injury; 3) the wage information (WKC-13A) if the injured employee is earning less than the State's maximum wage, must be submitted within 30 days of the date of the injury. If any of these reports are late, a potential penalty situation exists, and additional reporting requirements become necessary through letters generated by the State and sent to our office for additional follow up by the City of Milwaukee Workers Compensation Section.

**The Claims Processor** is responsible for the set up and data entry of all claims received in the Workers Compensation Section (a total of approximately 5,886 new and recalled claims in 2003). The process includes but is not limited to the following: coding, call for return to work dates, verification of wage information, data entry of claims into both the City's and the State's computer systems (this includes additional coding) including all new and re-called claims with additional lost time, the filing of the initial supplemental forms with the State, the set up of the Adjuster file folders, initial requests of information from doctors and injured employees, distribution of claims to the Adjusting Staff, process individual inventory of claims with three days or less of lost time and pay bills to an authorized level of \$2,500. There are currently two employees performing the voluminous task. We need three full time employees to perform this task. Currently there is not enough time to research the critical issues of the lost time and the wage information up front in detail. We are totally dependent on City Departments to provide this information in a timely and accurate manner. This has not worked for us. If we are able to research and provide this information up front at the initial submission of the claim, it will reduce the number of reports being required by the State and reduce the chance for a penalty. In addition, when one of the assigned employees responsible for this task is absent, delays are experienced. Thus, with a minimum of two full time employees researching and processing claims daily, delays will be minimized.

**The Claims Adjuster** is responsible for the adjusting of claims of medium to complex workers compensation claims. The current inventory at this level is 283 or an average of 141 claims for each Claims Adjuster at this level. These are expensive claims involving stress, rotator cuff tears, back herniation, and serious knee injuries. With the addition of an Adjuster at this level, additional claim volume currently being handled by the Claims Representatives will be transferred to this level. This will eliminate volume at the Claims Representative level and thus free the Claims Representatives to focus on the larger volume of less complex claims and on the State's pending reports. The major responsibility for the initial and subsequent filings to the State of Wisconsin occur on claims handled at the Claims Representative, and Claims Adjuster level due to the volume and type of claims initially handled at these levels. The Claims Representative current inventory is 848 claims for an average of 212 claims per Representative.

**The Management Services Adjuster** will be responsible for the involved, hands on and interactive process, of monitoring day to day, **ALL** Pending Reports at the State's web database for the City of Milwaukee and Milwaukee Public Schools (this will include all lost time claims or approximately 1100 claims annually) claims. This Adjuster will submit answers on Pending reports based on need and as established in Chapter DWD 80.02 of the Workers Compensation law, either directly into the State website or in writing. Will be responsible for writing to or calling doctors, City Departments or injured employees to obtain the required information in order to respond timely to meet the State's reporting requirements. This Adjuster will be responsible for the final closure of claims at the Claims Representative and Claims Adjuster level in order to ensure that **ALL** required reports have been answered and that the City will not face a potential Penalty situation later. There are currently, approximately, 181 claims pending in this category. This Adjuster will have the authority, under the direction of the Workers Compensation Manager, to approach staff for compliance reasons. This Adjuster will also serve as back-up, when needed, at the Claims Adjuster and Claims Representative adjusting levels. This Adjuster will also assist the Workers Compensation Manager on Occupational/Safety matters.

In 2003, the State Department of Workforce Development created additional processing steps for resolving Workers' Compensation claims. These increased responsibilities have impacted on the current staffing levels. The Department recognizes that this is an unusual request, however extreme staffing measures must be employed to resolve this issue. We estimate that the additional cost for increased staffing is approximately \$68,000.00 It is the Department's intent to absorb this cost, if possible, within our current budget.

You may contact me directly at x3335 or Burma Hudson at x2935 for additional inquiries. Thank you for your consideration of this request.

Sincerely,



Florence Duker  
Director

C: Budget Office  
Legislative Research Bureau  
M. Brady, Employee Benefits Division  
B. Hudson, Workers Compensation Section

Enclosure: Exhibit A

## Exhibit A

### Claim Assignment Levels

#### Claims Adjuster Specialist

1. Cancer claims
2. DDP's - without significant activity such as (*Supervisor Primary-Backup Specialist, New Appls w/DR*)
  - Active treatment
  - Unresolved loss time issues
  - Likelihood of surgery and surgery is imminent
3. Litigated pulmonary disease claims (*Specialist*)
4. Litigated heart claim
5. Recalled 28's based on nature of injury for this adjuster level
6. Claims with complex time consuming issues as determined by GROWS
- \* 7. Active claims and the employee is displaced with the followings issues: DVR/Retraining, EEO, Labor Relations, ADA/FMLA.
8. Bloodborne pathogens claims with a diagnosis of a disease: AIDS, HEP B, etc.
- \* 9. Occupational Exposure (requires permanent placement (re-) and is a chronic and severe re-assignment) (sick building injuries and air quality problems/chemical exposure)
11. Multiple complicated past litigation
- \* 12. Litigated LOEC.\*(Will be bumped to Senior when appropriate.)
- \* 13. Litigated DVR/Retraining
- \* 14. Perm totals
15. Aneurysms/-strokes/Brain Injury
16. Death
17. Stress – Physical/Mental (litigated and non-litigated)

#### Claims Adjuster Senior

- ☞ 1. All Occupational Hearing Loss claims
2. All recalled previously litigated files: except applications filed and dismissed due to claims paid or lack of medical verification
3. Attorney involvement and there is a denial and there are settlement negotiations
4. Heart attacks (actual, cardiac event)
5. Head injuries (skull fractures, loss of conscious)
6. No RTW due to permanent work restrictions without accommodations
7. All litigated files not listed under specialist
8. Recalled 28's based on nature of injury for this adjusting level
9. Litigated LOEC not handled by specialist
10. Occupational exposures chronic but not severe and no medical report attached or DX indicated
11. All applications for hearing not handled by specialist
- ☞ 12. Stress
  - Mental Physical (litigated and non-litigated)
  - Mental/Mental (litigated)

## Exhibit A

### Claims Adjuster

1. Joint fractures such as: knee, wrist, ankle, etc.
2. Carpal tunnel/cubital tunnel.
3. Rotator cuff tears/labium tears.
4. Shoulder tendinitis/impingement syndrome.
- ☞ 5. Cervical or lumbar herniation or protrusion (thoracic).
6. Burns 3rd and 4th degree.
7. Knee injuries - PCL's and ACL's.
8. Knee or hip claims; leading to total replacements and the replacement is imminent.
9. Skeleton back injuries (neck through coccyx).
10. Skeleton hip injuries.
11. Skeleton shoulder injuries (FX, clavicle, scapula, humerus).
12. Two jobs and employee claims the same injuries at both jobs.
13. All recalled 28 files based on the nature of injury for this adjusting level.
14. Multiple claims open at one time same body part and active treatment based on the nature of injury for this adjusting level.
15. **ALL** recalled previously litigated files (Applications filed and dismissed due to claims paid or lack of medical verification.).
17. Occupational exposures (paint fumes/chemical exposures)
18. Non-litigated attorney involvement excluding subro issues
19. Stress (Mental/Mental) (non-litigated)

### Claims Representatives

1. Fractures (excluding joint).
2. Concussions.
3. 1st and 2nd degree burns.
4. Gunshot wounds.
5. Muscular injuries.
6. Knee claims (except PCL's and ACL's).
7. Strains and sprains.
8. Subro only (new claims).
9. Tendinitis and epicondylitis (except shoulder tendinitis) with lost time of 4 days or more.
10. TMJ Disorder.
11. All other claims not listed at other adjusting levels.
12. All recalled 28 files based on the nature of injury for this adjusting level.
13. Multiple claims open at one time same body part and active treatment based on the nature of the injury at this adjusting level.
- ☞ 14. Vision loss (discuss at Team)

**Important Note:** If an original diagnosis (example: carpal tunnel and others) changes to tendinitis the file will be re-assigned at the Claims Representative level.

## **Exhibit A**

### **Claims Processors**

#### **Claims Processor Claim Criteria**

Handle files with:

- a) 3 days or less of lost time
- b) Treatment of less than one month
- c) 2 weeks or less of physical therapy
- d) Treatment with 2 doctors if not a specialist
- e) No lost time, no treatment
- f) Treatment within 10 (calendar) days of the date of injury
- g) Files with medical bills same day as first aid
- h) Intermittent lost time (multiple doctor appointments)