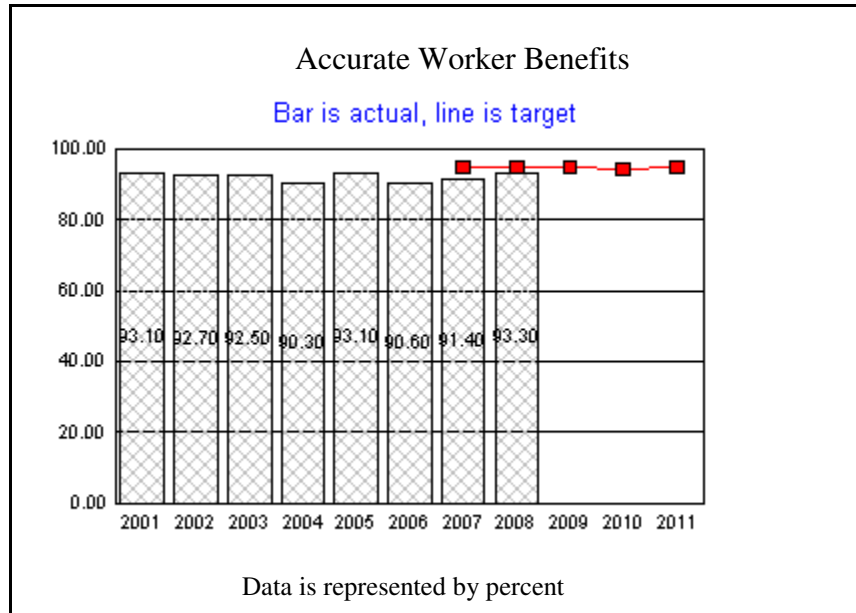


KPM #15	ACCURATE WORKER BENEFITS – Percent of injured workers who receive accurate benefits from insurers.	2007
Goal	DCBS Goal #1: Protect consumers and workers in Oregon.	
Oregon Context	DCBS Mission: To protect and serve Oregon's consumers and workers while supporting a positive business climate in the state.	
Data Source	WCD insurer audit data	
Owner	Sally Coen, Manager, Field Audit Unit, Workers' Compensation Division (503) 947-7687	



1. OUR STRATEGY

Ensure injured workers receive accurate benefits by educating insurers and self-insured employers, conducting targeted audits, and streamlining processes.

2. ABOUT THE TARGETS

This data tracks the accuracy of various benefit payments by insurers to injured workers, such as time loss, permanent disability, death, and reimbursement of worker expenses. This measure provides a gauge for the efficiency of claim processing and benefit delivery. At 95 percent, the aggressive target reflects our desire to improve an already high level of performance. In 2009, we are changing our audit methodology to include a more risk-based approach. We will focus on under-performing insurers instead of regularly auditing all insurers. This will lead to greater long-term protection for workers, though in the short term insurers may appear to have decreased performance results. To reflect the change in our audit methodology, we recommend the legislature lower our 2010 target to 94.5 percent and 2011 target to 95 percent.

3. HOW WE ARE DOING

Although we are performing below our target of 95 percent, the number has stayed consistently above 90 percent, which is an extremely high level of performance.

4. HOW WE COMPARE

Direct comparisons to other jurisdictions are difficult as many states do not track and publish comparable data.

5. FACTORS AFFECTING RESULTS

Many factors outside the insurers' control can affect results. For example, if an employer provides incorrect payroll information to the insurer, this can cause benefit payments to be inaccurate. WCD continues to streamline processes, which should reduce these types of errors and ensure that injured workers receive accurate benefit payments. Many factors within an insurer's control can also impact results, such as training and education for employees. To improve insurer performance in this area, WCD conducted training on accurate benefits payment for individual insurers and provided training at the 2008 Workers' Compensation Education Conference. Additionally, WCD provides tools, such as a Web-based benefit calculator, so that companies can ensure their benefit payments are accurate.

6. WHAT NEEDS TO BE DONE

WCD is sponsoring a regulatory streamlining initiative to improve the division's claims systems and processes in order to ensure injured workers receive the benefits to which they are entitled, make processes easier for insurers and employers, and improve performance by regulated parties. WCD is also considering a significant change to its audit process that will include using a more risk-based approach. We believe a more risk-based approach will ultimately lead to more accurate benefit payments and greater protection for injured workers because under-performing insurers will

be the focus of increased education and monitoring.

7. ABOUT THE DATA

Data is collected quarterly and reported for the Oregon fiscal year (July 1 – June 30). Data includes benefits payments for: time loss, permanent disability, death benefits, and reimbursement of worker expenses. Data comes from the Compliance Field Audit of insurers and self-insured employers, which is an on-site field audit of insurer claims records. To calculate the overall value, the total number of benefit payments found to be accurate are divided by the total number of benefit payments audited for accuracy. Note, DCBS reports final values to 1 decimal place. The automated annual report system shows a 0 as the second decimal place, which is a placeholder for measures that may require a second decimal place.