

Tier 3 Audit: Brief

September 19, 2017

Introduction

Tier 3 Pilot is tentatively set to start in September time frame. Based on the Tier 1 and Tier 2 pilots, and input from the Audit Reform Advisory Committee, and the L&I Self-Insurance Audit team, this document is intended to provide the focus of review for Tier 3, and serve as a recommendation to the Executive Steering Committee for Audit Reform.

Subject

Benefit Entitlement will be the subject of review for Tier 3 Pilot. The auditors will review claims to assure that the full benefit due the worker is accurate, on time, and paid in full, per the laws and rules for Washington State Workers Compensation.

Scope of Review

The scope will be determined by the L&I Self-Insurance Audit team, and will include consideration of reasonable sampling sizes of claims, capacity of auditors, and attainable and reasonable goals within a specific time-bound period, i.e., September thru December. The period of review the auditors will use to select claims is January 2017 through September 2017.

Remedy for Audit

Tier 3 remedies will consist of 4 graduated alternative paths based on data outcomes determined from the results of the Tier 3 reviews, according to the degree and the extent of the problems identified:

1. Submit a Performance Improvement Plan, or
2. Actual Training provide by L&I, or
3. 6 Month Follow-up Review, and
4. Potential Corrective Action (if no improvement or cooperation).

Penalty on Individual Claims

The auditors will refer penalties on individual claims to the penalty adjudicators for further review to determine if there is an unreasonable delay based on the facts provided within the claim. The Penalty adjudicators will notify the employers that they plan to assess a penalty on a specific claim but allow the employer the opportunity to provide additional information for consideration in the penalty decision.

Audit Cycle

Audit team is anticipating getting the Tier 3 audit completed within a 3-month review cycle.

Staff contact

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