

**Worker's Compensation  
Insurance Letter**

<b>INS #</b>	450
<b>Date</b>	June 1, 2004
<b>Program</b>	Claims Management
<b>Type</b>	New Rules
<b>Replaces</b>	None



**State of Wisconsin  
Department of Workforce Development**

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**To: Claims Handling Offices for Insurance Carriers and Self Insured Employers**  
**From: Frances Huntley-Cooper, Division Administrator**  
**Subject: Administrative Rule Changes Effective July 1, 2004**

**Purpose:** Inform claims handling offices of changes to the Wisconsin Administrative Code, Chapter DWD 80, relating to Worker's Compensation that will become effective July 1, 2004.

**Background:** Changes to Chapter DWD 80 of the Wisconsin Administrative Code will become effective on July 1, 2004. A plain language summary is enclosed with this letter. Most of these rule changes will affect the Worker's Compensation claims processes of claims-handling offices. It is important that claims-handling offices understand these changes and make the internal process adjustments and conduct training to ensure claims administrators understand and act in compliance with the rule changes.

It is especially important to note a few changes that may have significant impacts. One is the requirement in DWD 80.02(2)(b) that supplemental reports are to be submitted for all reported claims regardless of the outcome of the claim. The Division receives close to 10,000 claims each year that are subsequently denied or are medical-only claims. While it is not necessary to report these claims, it is necessary to submit supplemental reports once the claim is reported. Forfeiture waivers for late submissions of Supplemental Reports, forms WKC-13 will no longer be automatic for medical only (no-lost-time) and denied claims nor will the fact that a claim is denied or medical-only be a valid reason to request a waiver. For claims monitoring purposes, the Division will apply this rule to claims received on or after July 1, 2004.

Other important changes are DWD 80.02(2m) and 80.02(2)(g) that require copies of notices of denials and claim investigations relating to alleged injuries be provided to the employee. It is not necessary to submit copies of the notices of denials or claims investigations to the Department unless they are for claims initially reported to the Department conceding payment. For claims monitoring purposes, the Division will enforce these rules to injuries or alleged injuries reported to the employer July 1, 2004 or later.

Another change is that a new section, DWD 80.52, was created to establish when payment for compensation for permanent disability must begin in cases in which the self-insured employer or insurance company concedes liability but disputes the extent of permanent disability. Under this rule payment is to begin (1) within 30 days after the self-insured employer or insurance company receives a report that provides a permanent disability rating or (2) within 30 days after receiving a report from an examination performed under s. 102.13(1)(a), Stats., in the amount of permanent disability found as a result of the examination. If no examination was previously performed, the self-insured employer or insurance company may give notice of a request for an examination within 30 days of receiving a report that establishes permanent disability. If the examining practitioner's report is not available within 90 days of the request for an examination, payment must begin by that date. The Division will enforce this rule for medical or examination reports with permanent disability ratings received by insurance carriers and self-insured employers on or after July 1, 2004.

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Many claims handling offices have inquired about the change to DWD 80.02(3m) that gives the Department authority to require submission of reports via electronic media. While there are no immediate requirements of this nature, claims handling offices are strongly urged to consider submissions of required reports electronically using approved EDI – IAABC formats or the Division’s customized Internet formats. Over one half of all required reports except for medical reports are now submitted electronically. The Division will consider several factors before imposing this requirement including individual insurer performance, efficiency needs due to position reductions and the viability of electronic reporting. The new language also allows the Department to waive the requirement if an insurer shows good cause.

Time frames are created for raising disputes over liability or the extent of disability for reasonableness of fee disputes and disputes over the liability or the extent of liability for necessity of treatment disputes as outlined in the summary. These changes apply to completed health care provider bills received by insurance carriers and self-insured employers or their agents on or after July 1, 2004.

**Action Requested:** Refer to: [www.dwd.state.wi.us/wc/legal/plain\\_lang\\_2004\\_dwd80.htm](http://www.dwd.state.wi.us/wc/legal/plain_lang_2004_dwd80.htm) for a complete summary of the changes and text of the rule changes. Review changes with staff.

**Inquiries:** Contact the Worker’s Compensation Division if you have any questions about any of the rule changes.

**Enclosure:** Plain Language Summary of Administrative Rule changes.