

TO: ALL COUNTY PERSONNEL

**FROM: VERDENIA C. BAKER
COUNTY ADMINISTRATOR**

PREPARED BY: RISK MANAGEMENT DEPARTMENT

SUBJECT: WORKERS COMPENSATION CLAIMS PAYMENT

PPM # CW-P-063

ISSUE DATE
January 26, 2023

EFFECTIVE DATE
January 26, 2023

PURPOSE:

To establish procedures for payment of Workers' Compensation claims.

UPDATES:

Future updates to this PPM are the responsibility of the Manager of Workers' Compensation, under the authority of the Director of Risk Management.

AUTHORITY:

- Florida Statutes, Chapter 440, as may be amended;
- Florida Statutes, section 136.091, as may be amended; and
- Palm Beach County Administrative Code Section 305.08, as may be amended.
- PPM # CW-P-002 Workers' Compensation Program, as may be amended

POLICY:

Workers' Compensation claims are reviewed, adjusted and approved for payment by the County's Risk Management Department and its contracted third party administrator in accordance with Florida Statute, Chapter 440. Payments are made by the third party administrator from a "Loss Fund Account" set up by the County in accordance with the provisions of Florida Statute 136.091. Funds are reimbursed into the account by the County's Finance Department weekly, upon receipt of a check register and appropriate back-up for each expenditure. Money to pay these claims comes from the County's Workers' Compensation Loss Fund, which, in order to ensure fund adequacy, is actuarially audited on an annual basis. Settlements of all or part of a Workers' Compensation claim are subject to various approval levels within the County and ultimately must be approved by a Judge of Workers' Compensation claims.

PROCEDURE:

I. County Payment of Medical Claims Under Workers' Compensation

When an employee is injured, he or she must report to the Occupational Health Clinic unless it is an emergency situation. In an emergency situation, the injured worker should report to the nearest hospital emergency room for treatment. Injured workers who receive emergency treatment elsewhere must then report to the Clinic as soon as possible. The Clinic will complete the form necessary to initiate the Workers' Compensation claim.

Under Florida law, the employer has the right to select the medical provider rendering Workers' Compensation treatment. Treatment which is not pre-approved by the County's Risk Management Department may become the financial responsibility of the employee. Through Risk Management and its contracted third party administrator, the County's Workers' Compensation fund pays medical, surgical, pharmaceutical, and other approved provider claims as well as transportation or mileage charges to and from County approved medical providers' offices. Medical and hospital bills are reviewed, adjusted, and processed for payment according to the State of Florida Medical and Surgical Fee Schedules. Checks are printed from the third party administrator's risk management system, printed on the third party administrator's check stock, and mailed from the third party administrator's offices.

II. County Payment of Lost Time Claims Under Workers' Compensation

The payment of lost time claims due to a work related accident or injury is strictly governed by Florida Statute, Chapter 440 in terms of the amount paid, length of period under which it may be payable, and timing of payments.

The State mandated method for computing the injured employee's compensation rate is determined from the employee's payroll history for the 13 weeks prior to the accident. The average weekly wage is determined and employees are then paid 66.67% of that average weekly wage. The amount paid can never, however, exceed the maximum compensation rate set by the State on an annual basis. The date of the accident determines the maximum compensation rate and which set of regulations will be followed.

Employees injured on the job may supplement the Workers' Compensation weekly rate by taking one day of accumulated sick leave for every three days on compensation. Arrangements for this action are made by the employee through his/her department. Vacation time may also be used after depletion of sick time. Any vacation and sick leave supplemental payments are paid on a payroll check separately from the Workers' Compensation check. The Workers' Compensation check is mailed to the injured employee by the third party administrator and the supplemental payroll check would be issued through the employee's department.

Because the first seven days of lost time from each injury are not payable by Workers' Compensation, the employee receives a normal County paycheck from his/her department for that period.

Risk Management will keep the employee/claimant's department informed of the progress of the claimant and any other pertinent information regarding return to work. Departments are strongly encouraged to allow injured workers to perform light duty work if it is available, in order to keep workers' compensation costs, which are allocated back to departments annually, as low as possible.

III. Claim Settlements

At certain points during the progress of either or both a medical and lost time claim, offers to settle claims in their entirety may be made and rejected or accepted on advice of the attorneys who represent the County, or at the recommendation of the County Workers' Compensation Manager if the claim is not in litigation. For claims that are litigated, on at least a monthly basis, the Director of Risk Management may receive factual information relating to claims and claim settlement proposals from representatives of the County Risk Management Department, the Human Resources Department, the County Attorney's Office, County Administration, and the Workers' Compensation attorneys who represent the County. The Director of Risk Management will decide upon or recommend settlements as follows: in accordance with Administrative Code Section 305.08, the Director of Risk Management may approve of all claim settlements up to and including \$5,000; the County Administrator, with the concurrence of the County Attorney, must approve all claim settlements exceeding \$5,000, but, not greater than \$50,000; and, all claim settlements greater than \$50,000 must be approved by the Board of County Commissioners. Following the County approvals, all claim settlements also must be authorized by a Judge of Compensation Claims and paid within statutorily prescribed time parameters to avoid the imposition of penalties.



VERDENIA C. BAKER
COUNTY ADMINISTRATOR

Supersession History:

1. PPM# CW-P-063, effective date 10/16/1998
2. PPM# CW-P-063, effective date 6/10/2011
3. PPM# CW-P-063, effective date 1/13/2017