

## II. KEY MEASURE ANALYSIS

Agency Mission: To serve and protect Oregon’s consumers and workers while supporting a positive business climate in the state.

<b>KPM #14</b>	<b>TIMELY WORKER BENEFITS</b>	<b>Measure since: 2007</b>
<b>Goal</b>	<b>Percent of injured workers who receive timely benefits from insurers.</b>	
<b>Goal</b>	DCBS Goal #1: Protect consumers and workers in Oregon.	
<b>Oregon Context</b>	DCBS Mission: To protect and serve Oregon's consumers and workers while supporting a positive business climate in the state.	
<b>Data source</b>	WCD insurer audit data are from the Reemployment Assistance Decisions and Compliance Field Audit findings.	
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**1. OUR STRATEGY**

Use education and enforcement to ensure insurers and self-insured employers process claims and deliver benefits to injured workers in a timely manner.

**2. ABOUT THE TARGETS**

This data tracks the timeliness of benefit payments by insurers to injured workers. It provides a gauge for the efficiency of claim processing and benefit delivery. A higher percent is desired because it would indicate an improved timeliness in the delivery of benefits. The target is currently 95 percent and is projected based on activity from previous years.

**3. HOW WE ARE DOING**

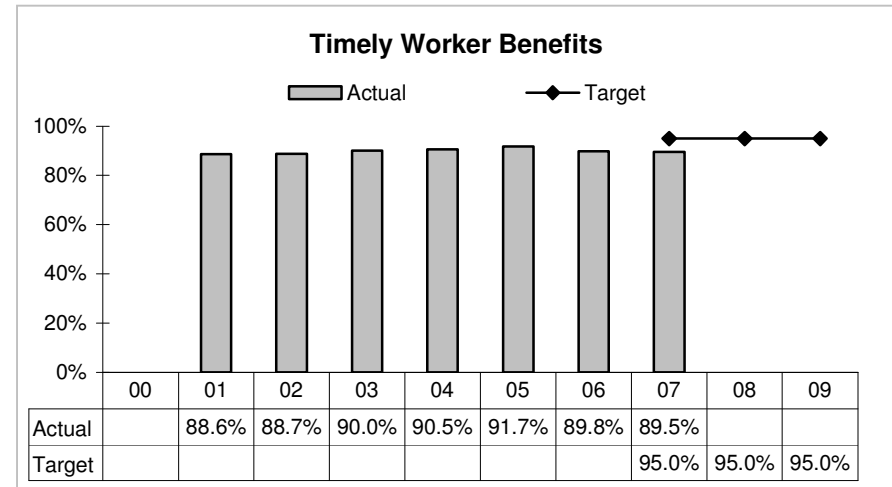
During the past four fiscal years, the data of this measure was combined with the data from KPM #15 (Accurate Worker Benefits); this is the first year of reporting the data separately from the accuracy of benefit delivery. We are performing below our target of 95 percent; largely due to a higher standard we recently imposed on insurers.

**4. HOW WE COMPARE**

Our higher minimum standard of 90 percent compliance, implemented January 1, 2006, has not been in place long enough to compare to other jurisdictions; however, the Workers’ Compensation Research Institute has stated that Oregon continues to have one of the highest rates of timeliness in the nation.

**5. FACTORS AFFECTING RESULTS**

Effective January 1, 2006, WCD increased the performance thresholds for insurers from 80 percent to 90 percent in categories that directly relate to workers receiving timely and accurate benefits. This includes the Quarterly Claims Processing Performance Audit category of timely first payment of time loss,



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which is included in this measure. This threshold increase caused a greater number of companies to be penalized in 2006; however, we anticipate the number of companies penalized will begin to decrease as companies make necessary adjustments to be more timely.

### **6. WHAT NEEDS TO BE DONE**

WCD continues to monitor the audit methodology implemented in 2004 that enabled us to complete on-site reviews of all insurer and self-insured employers in a two-year period (versus the previous seven- to eight-year period). We are developing better data tracking systems and key indicators that will alert us to potential problem areas in the system. We will continue to explore the potential for automating and streamlining processes; draft clear and user-friendly rules; closely monitor the threshold changes on insurer performance; and continue to work with stakeholders to provide education, resolve problems, and find solutions.

### **7. ABOUT THE DATA**

The reporting cycle of this KPM is Oregon fiscal year. Data is an aggregate collection (time loss, permanent disability, death benefits, and worker reimbursements). Data comes from insurer reports that are captured in the computerized WCD Quarterly Claims Processing Performance Audit report and WCD field audits of insurers and self-insured employers. The reemployment programs also contribute data to this measure by monitoring the timeliness of each reemployment program's review and decisions.