



## HB 2797 Improves the Process for Paying First Time Loss Payments

HB 2797 clarifies the timeliness of an injured worker's first payment of temporary disability benefits. The statute currently provides that the first installment of time loss is due no later than 14 days after the employer has notice or knowledge of the claim even in cases where time loss begins after the employer has knowledge of the claim. This revision would provide that the first payment of time loss would be due no later than 14 days after the employer has both notice or knowledge of the claim and knowledge of the worker's authorized disability.

Because of issues with interpretation of the employer date of knowledge of a claim, the current statute creates administrative concerns for claims processors in determining when first payments are due. In some cases, the first day of disability occurs after the employer's date of knowledge, and this revision will allow processors to more accurately determine when a worker's first time loss payment is due.

**There is no change in the entitlement to or amount of benefits paid to injured workers.**

In situations where time loss begins after the employer has knowledge of a claim, but within 14 days following the date of knowledge, workers will receive their first payment of time loss benefits no later than 14 days after the first day of time loss. This is consistent with the Workers' Compensation Division's interpretation of timely first payments in situations where time loss begins more than 14 days after the employer's date of knowledge.

The requirement for claims processors to actively pursue and verify medical authorization for time loss will not change. Verbal verification of time loss authorization will continue to be sufficient to require the first payment.

Accuracy of first payments will improve, requiring fewer adjustments to subsequent time loss checks. The processor and employer will have the full 14 days after the first day of disability and employer knowledge of the claim to obtain pre-injury earnings histories from employers to calculate accurate average weekly wage rates and time loss benefit rates.

This revision will simplify the auditing process since the Workers' Compensation Division will no longer need to interpret the employer's date of knowledge in claims where time loss occurs after the employer's date of knowledge.

OSIA asks that you support HB 2797 which will improve overall compliance for claims processors, provide more accurate first payments resulting in fewer adjustments to subsequent payments, and create more consistency in processing. It will not negatively impact injured workers.