

Alabama League of Municipalities



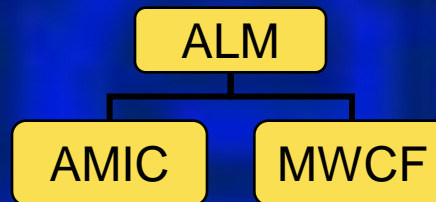
ALM Services

Perry Roquemore, Executive Director

Individual Services
to
Member
Municipalities

- Research to help local officials in duties
- Legal opinions from the League's four attorneys
- Publication of the Monthly Magazine – “The Alabama Municipal Journal”
- Weekly legislative bulletins when legislature is in session
- Large Web page
www.alalm.org

Alabama League of Municipalities



- The Alabama Municipal Insurance Corporation has been a service of the ALM since 1989
- The Municipal Workers Compensation Fund has been a service of the ALM since 1976

Municipal Worker's Compensation Fund



- Over 600 members
- Annual Contributions of \$23 million
- Provides on site loss control services
- Help establish safety programs
- Skidcar Defensive Driving
- F.A.T.S. (fire-arms training)
- Steve Martin, Operations Manager

Alabama Municipal Insurance Corporation



- Member owned Mutual Insurance Company
- Over 500 members
- \$30 million+ in annual premiums
- Provides on site Loss Control services
- Skidcar Defensive Driving
- F.A.T.S. (fire-arms training)
- Steve Wells, President



Loss Control Services

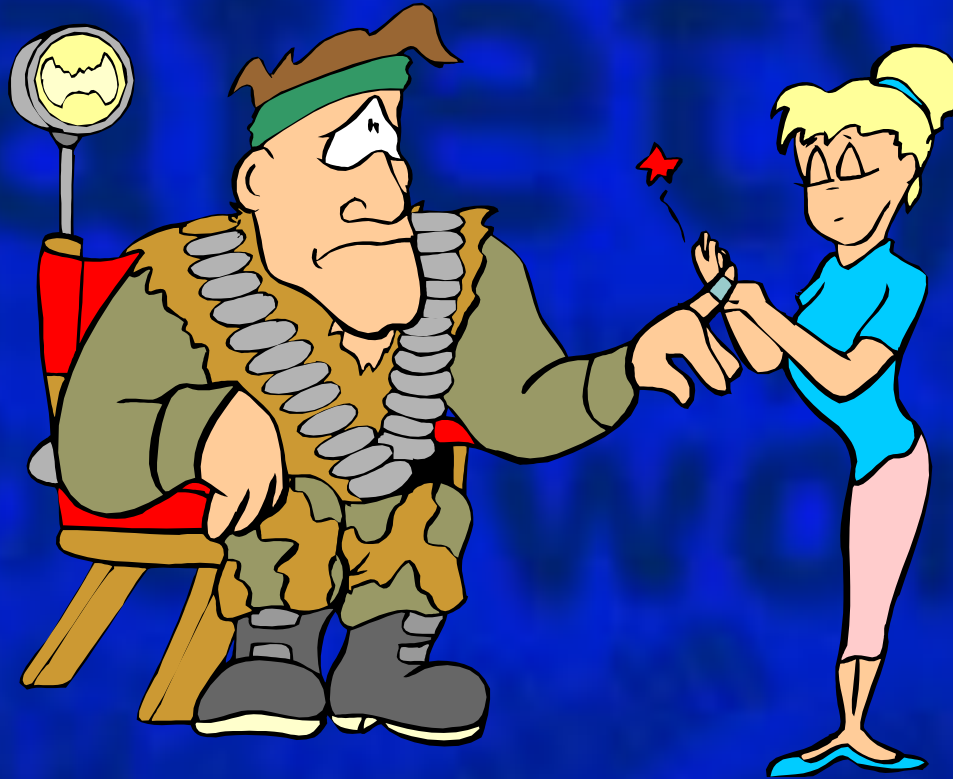


- On-site Consultations with Follow-up Written Reports and Recommendations
- Specialized Law Enforcement Risk Control
- Loss Analysis and Trending
- Newsletters, Technical Resources
- Employment Practices Hotline
- Video Library
- Skidcar Training
- F.A.T.S. (Fire Arms Training System)

Questions?



WORKERS COMPENSATION ABUSES



By: Jason Humphries

The Workers Comp Claims Process

- The work related injury occurs (event date)
- Employee reports incident to employer
 - Employee has 90 days to report incident
 - No medical bills incurred prior to reporting are covered
- Employer reports the incident to MWCF
 - Recommended to report incident to Fund – 5 Days
 - Employer completes the First Report of Injury
 - Either faxes in report 205-824-0240
 - Or calls 24 hour reporting hotline 1-866-840-0210

The Workers Comp Claims Process

- Employer starts investigation into cause of incident to determine facts
- MWCF receives the First Report of Injury
 - Opens a claims file
 - Assigns an Adjuster
 - Forwards First Report to Adjuster

The Workers Comp Claims Process

- Three point contact:
 - Contacts employer
 - Relays the above information to employer
 - Contacts “Gate Keeper” Doctor
 - Confirms the injuries
 - Adjuster calls employee
 - Confirms they are off work if a Lost Time claim
- Adjuster starts a 2 week running diary
- Administration of claim
 - Medical payments, drug payments, rehab etc
 - *Cost Containment Phase*

Workers Comp Premiums

- Classifying employees:
 - NCCI produces a nationally standard Scopes Manual
 - Contains all job classifications
 - Contains rates for each classification
- Actuaries then calculate a Loss Cost Multiplier:
 - The Loss Cost Multiplier changes the rate based on nationwide industry losses for each class
- MWCF Board approves these rates
- These rates are submitted to DIR for final approval

Definitions of Fraud and Abuse

- Workers' Comp Fraud
- Fraud- The law states that fraud occurs when someone knowingly files a claim for an injury that didn't occur
- Knowingly falsifies the details of a claim or exaggerates the scope of an injury; or
- Knowingly bills for services never rendered

Definitions of Fraud and Abuse

- Workers' Comp Abuse
- Abuse- To use wrongly; to mistreat.
- Workers' Comp Abuse- is when an individual exploits the systems weaknesses and its bias in favor of the employee, whether truly injured or not.

Key Differences Between Fraud and Abuse

- Fraud is a crime
- Abuse, by nature, isn't.

Examples of Abuse

- Prescription Drug Abuse
- Malingering
- Employee changes complaints
- Chooses panel upon return to work

Fraud Statute

- Any person who makes or causes to be made any knowingly false or fraudulent material statement or material representation for the purpose of obtaining compensation, as defined in Section 25-5-1(1), as amended, for himself or herself or any other person is guilty of a Class C felony.

Examples of Fraud

- An Employee Commits Fraud When:
- He/she Misrepresents his/her job status while collecting temporary benefits
- By filing a claim for an injury that did not occur on or has no relation to his/her job
- By knowingly misrepresenting his/her physical condition to obtain benefits
- By misrepresenting previous trauma or treatment.

Examples of Fraud

- An Employer Commits Fraud When:
 - It misrepresents the amount of payroll or the proper classification of its employees
 - By failing to obtain workers' compensation insurance coverage.

Examples of Fraud

- Attorney or Health Care Providers Commits Fraud when:
- They assist an individual in fraudulent schemes, participate in billing or intentionally billing for services not provided.

Fraud Statute

- Lack of Statutory Immunity
- Procedure in lieu of fraud statute

Prevention of Fraud and Abuse

- The two best controls:
- Hiring
- Safety

Prevention of Fraud and Abuse

- Sound Hiring Practices:
- Require a resume'
- Be leery of ambiguous words or language
- Always require a written application
- Take time to interview applicant

Prevention of Fraud and Abuse

- Creating a safety program:
 - Four essential elements of a program
 - Management commitment and leadership
 - Safety training and education
 - Develop a safety committee

Management commitment and leadership

- Management Commitment and Leadership
- Creating the Safety Environment
- Create a safety net
- Employees must believe in YOU
- Involve employees at every level of your program

Safety training and education

- Have supervisors evaluate how each job is performed
- Have employees suggest how their jobs could be performed more safely
- Suggestion boxes
- Reward feasible suggestions

Safety Committees

- Enlist all employees
- Rotate membership
- Several employees from each dept.
- Quarterly safety reviews
- Acknowledge safe behavior

- Cause your employees notice your own safe behavior
- Take time to think of how your job can be performed more safely
- Listen and consider when others do the same

Questions?

