



A Guide to Analyzing and Comparing Disputes in Workers' Compensation



IAIABC Dispute Resolution Standardization Project Goals

What happens when the system is not self-executing?

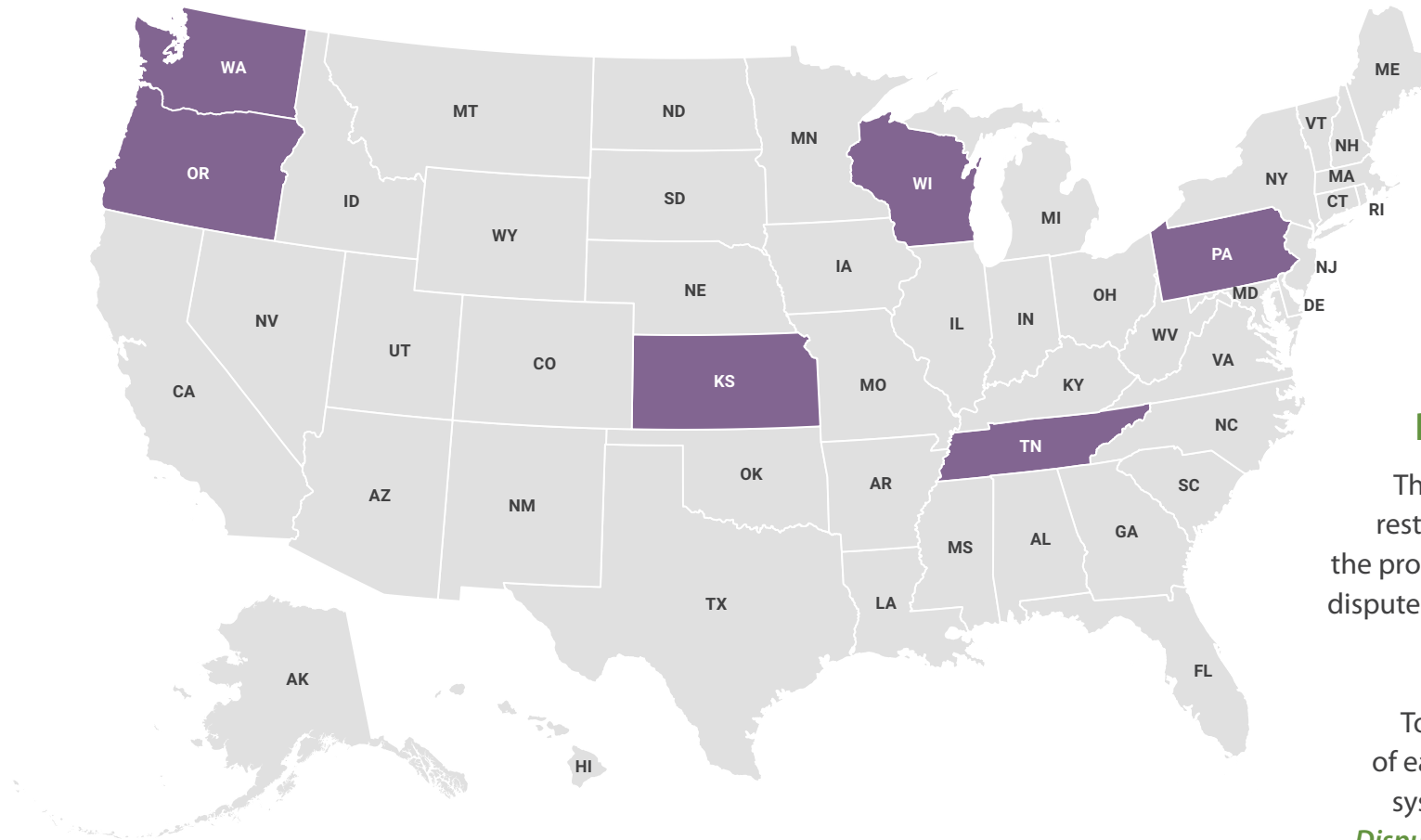
When workers' compensation is not self-executing, states address this in several ways, chief among them being to regulate and to adjudicate. Therefore, analyzing disputes within a system can provide meaningful insight on important system attributes and be a helpful tool for policymakers and stakeholders.

The goal of the study is to promote better understanding of workers' compensation dispute resolution systems by:

- developing a common model of how disputes are managed;
- developing a common model of judicial decisions; and
- comparing select state systems according to these models.

For this analysis, “dispute” is defined as “the act of filing for an adjudicatory hearing and decision regarding the payment of benefits.”

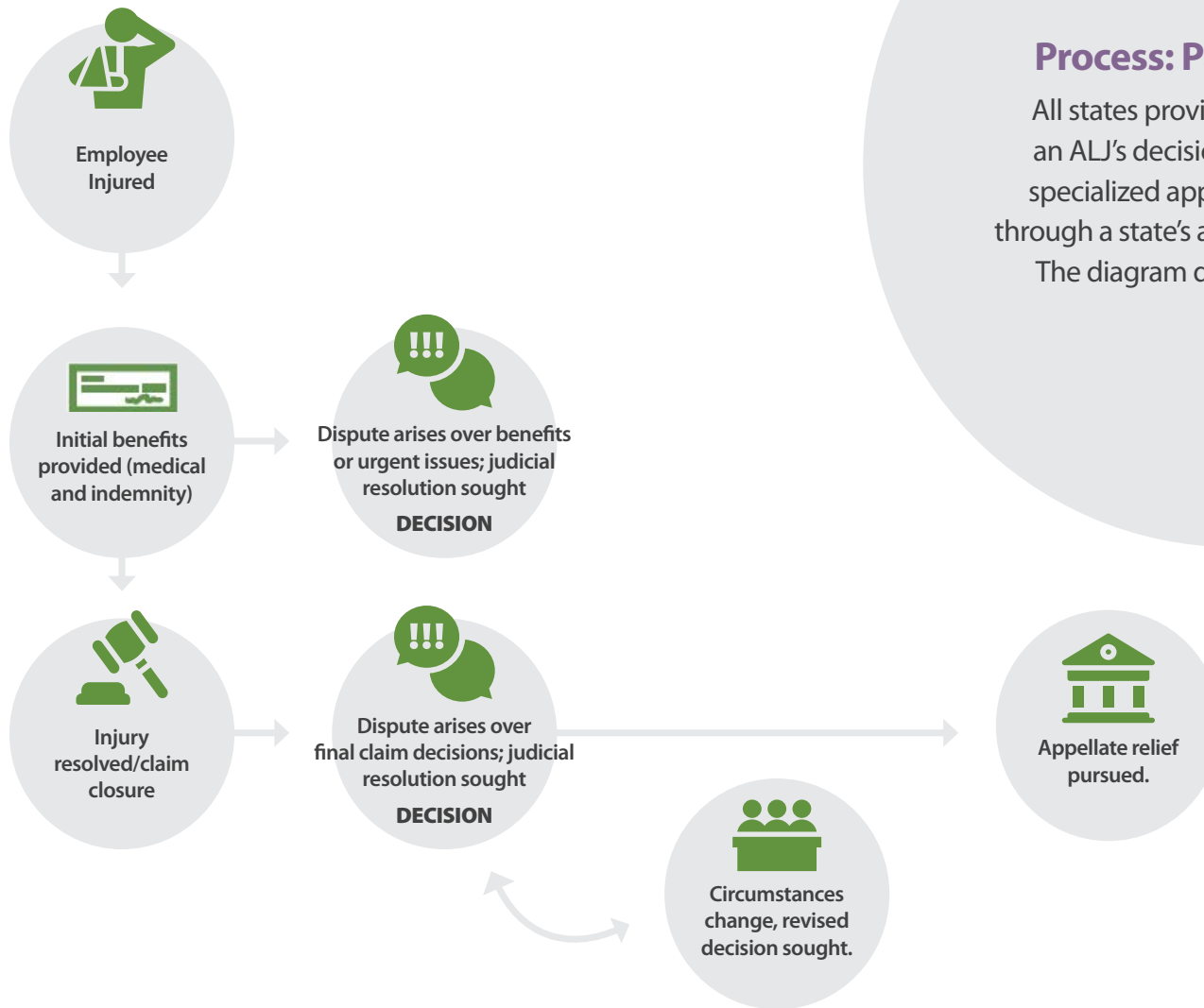
A fundamental premise for our analysis is that workers' compensation should by and large be self-executing, meaning that compensation claims are brought to conclusion by agreement of the parties, without any formal dispute arising.



Participating States

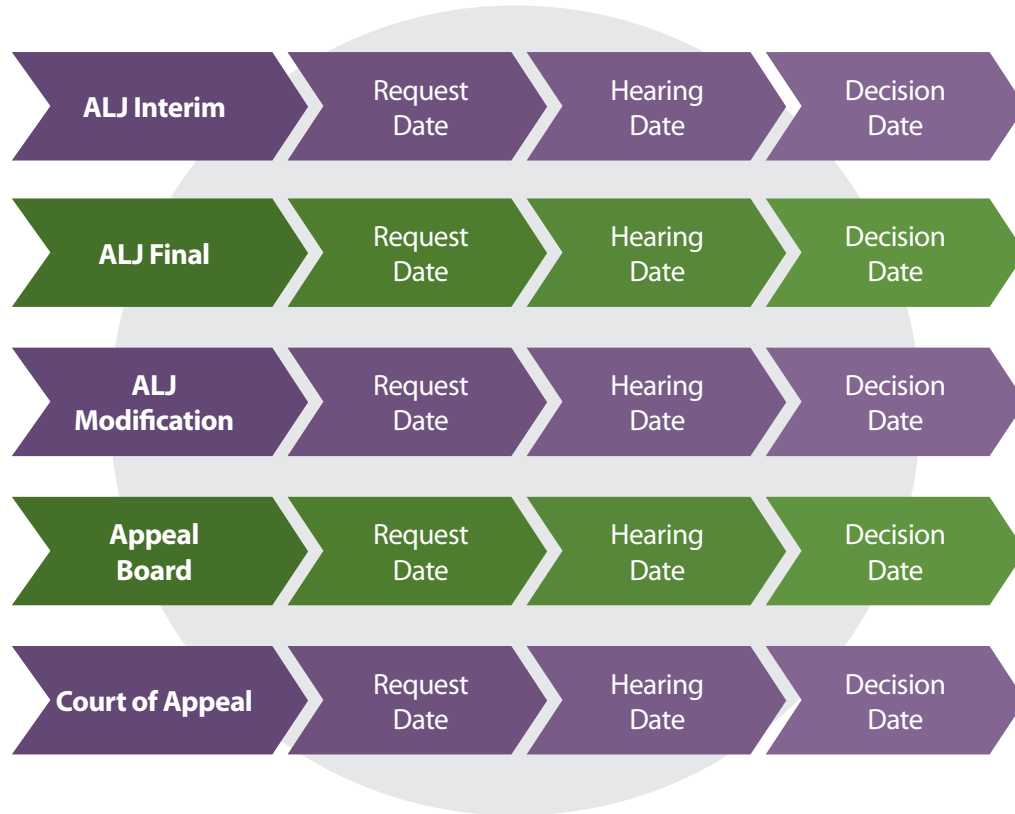
The foundation of this project rested on the understanding of the process across states to resolve disputes. Six states were studied in this project.

To read the extensive profiles of each of the six state's dispute system, refer to: *Profiles of the Dispute Process in KS, OR, PA, TN, WA, and WI*, found at iaiacb.org.



Process: Path to Appeal

All states provide a path to appeal an ALJ's decision, most often via a specialized appeal board and then through a state's appellate court system. The diagram depicts this process.



Process Model

The process model is a greatly simplified depiction of administrative activity workflows, picking out events to track for measurement of timely service.

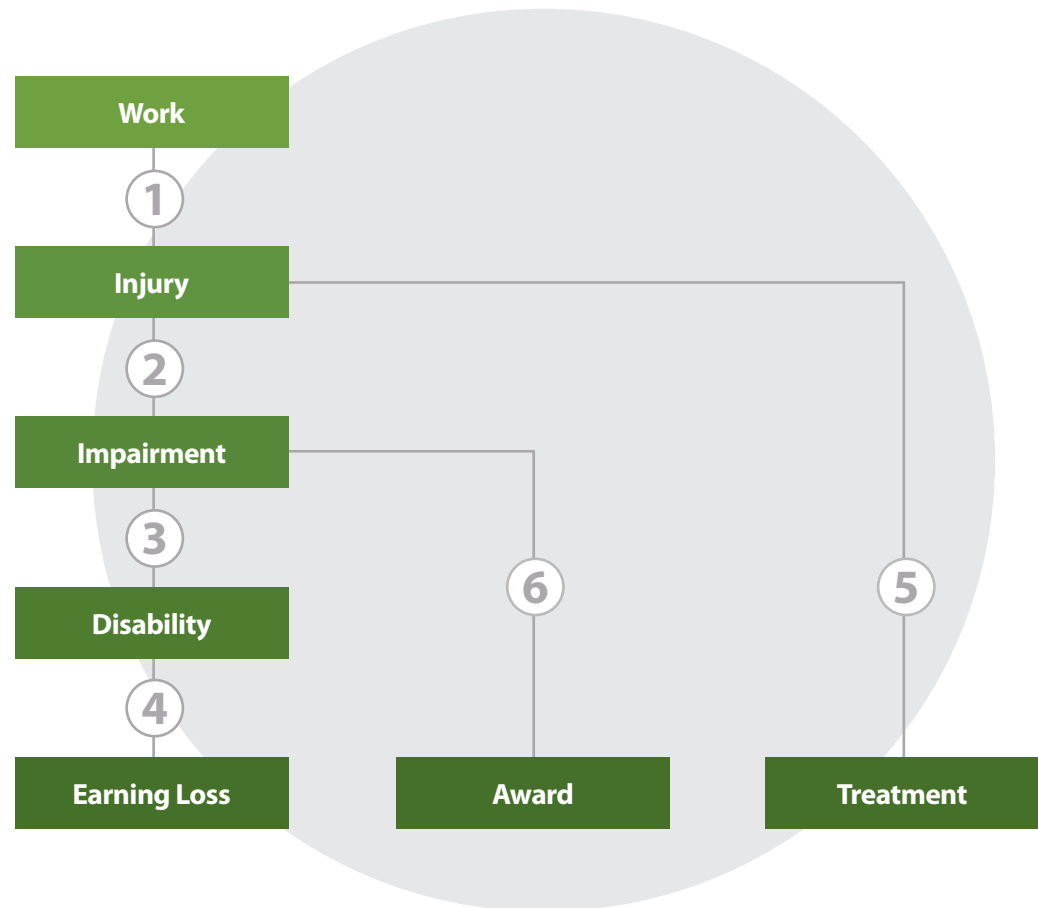
This illustration displays selected events/milestones that could be recorded in the agency database to measure the status or progress of cases being processed. It is based on common procedures controlled by various state legislation and administrative rules. Intended to be adapted to the situation in an individual state.

Decision Model

The decision model was used in this study to categorize ALJ decisions. It is obvious that decisions about the threshold “acceptance” of compensation claims are different from multiple decisions on most claims concerning “benefits.” The model points to three types of benefits. Earnings loss benefits decisions are broken out further based on experience.

Analysis of the respective states’ decisions indicated a model could be applied, categorizing the decisions as follows:

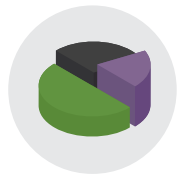
1. Injury resulted from work
2. Impairment resulted from injury
3. Disability resulted from impairment
4. Earnings loss resulted from disability
5. Treatment required for injury
6. Award for impairment
7. Non-substantive matters



Performance Metrics

It is axiomatic among management experts and successful organizational leaders that measurement of performance is essential to achieving objectives and using resources wisely. We use interchangeably the popular terms “performance measures” and “metrics” for such measurements.

Based on the project analysis, in analyzing workers’ compensation system performance three very telling metrics of system health are:



Proportion of compensable injuries that generate disputes



The speed at which disputes are resolved at the primary and appellate levels, and



The issues being disputed

The value of these metrics is based on careful and consistent data collection and open discussion with policy makers and stakeholders.

Well-designed metrics should focus on the performance features that are most relevant to stakeholders...but offering an explanation of the connection between statistics and performance is just as important.



To learn more, refer to the full report:
***Workers' Compensation Dispute Data Analysis
and Comparison*** found at iaiaabc.org.

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