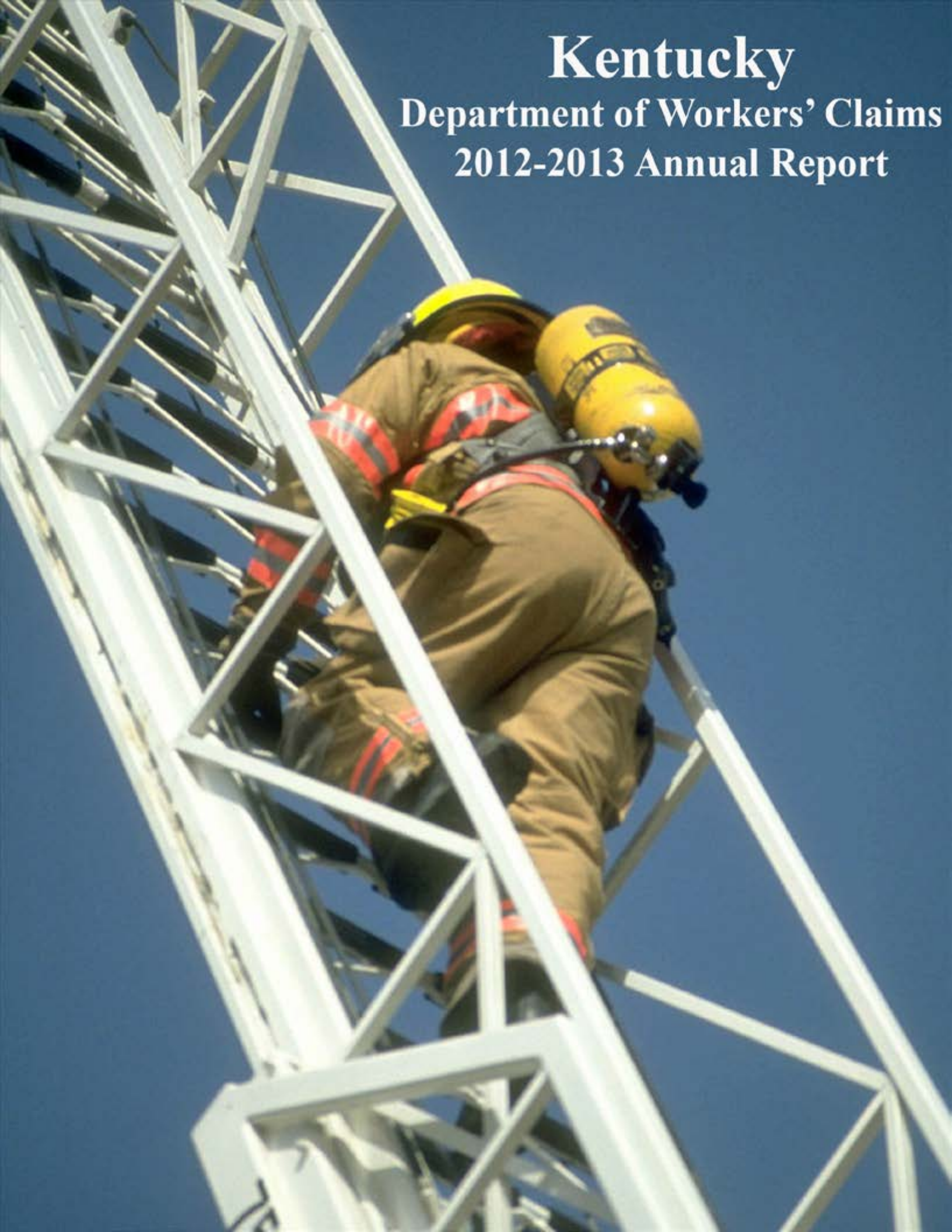


# Kentucky

## Department of Workers' Claims

### 2012-2013 Annual Report



**Commonwealth of Kentucky  
Department of Workers' Claims**

Prevention Park  
657 Chamberlin Avenue  
Frankfort, Kentucky 40601  
(502) 564-5550

Web site: <http://www.labor.ky.gov/workersclaims>

COMMISSIONER  
Dwight T. Lovan

CHAIRMAN, WORKERS' COMPENSATION BOARD  
Michael W. Alvey

CHIEF ADMINISTRATIVE LAW JUDGE  
J. Landon Overfield

In addition to the Frankfort Office, DWC specialists may be contacted at the following office for information and assistance regarding workers' compensation issues:

**Toll free 800-554-8601**

107 Coal Hollow Road, Suite 100  
Pikeville, Kentucky 41501  
Telephone 606-433-7661  
Fax 606-433-7798

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*Developed by DWC Division of Information and Research  
Kim McKenzie, Resource Management Analyst II*



# Kentucky Department of Workers' Claims



## Mission Statement:

Resourceful administration of Kentucky's workers' compensation program with equitable and expedient processing of claims

## Performance Objectives:

- Assure prompt delivery of statutory benefits, including medical services and indemnity payments
- Provide timely and competent services to stakeholders
- Foster stakeholder knowledge of rights and responsibilities under the Workers' Compensation Act
- Encourage stakeholder involvement in the development of policy and delivery mechanisms
- Provide the public and policy makers with accurate and current indicators of program performance
- Anticipate changes in the program environment and respond appropriately

*No individual in the United States shall, on the grounds of race, color, religion, sex, national origin, age, disability, political affiliation or belief, be excluded from participation in, or denied benefits of, or be subjected to discrimination under any program or activity under the jurisdiction of the Kentucky Labor Cabinet.*

**Printed with State Funds**

This agency does not discriminate on the basis of race, color, national origin, religion, age or disability in employment or provisional services.

**Steven L. Beshear**  
Governor

**Jerry E. Abramson**  
Lieutenant Governor



**Larry L. Roberts**  
Secretary

**Dwight T. Lovan**  
Commissioner

**KENTUCKY LABOR CABINET**  
**Department of Workers' Claims**

657 Chamberlin Avenue  
Frankfort, KY 40601  
Telephone: (502) 564-5550  
[www.labor.ky.gov/workersclaims](http://www.labor.ky.gov/workersclaims)

The Honorable Steven L. Beshear  
Governor of Kentucky  
Capitol Building  
700 Capitol Avenue, Suite 100  
Frankfort, KY 40601

Dear Governor Beshear:

In accordance with KRS 342.230(2) and KRS 342.435, attached is the Fiscal Year 2012-2013 Annual Report for the Department of Workers' Claims. The annual report outlines activities undertaken by this agency to assure prompt and efficient delivery of statutory benefits. It also provides statistical information designed to openly share the activities of the Department.

Highlighted in the report are initiatives the Department of Workers' Claims has undertaken during this fiscal year, meeting the requirements of the administrative and adjudicative provisions of the Workers' Compensation Act, KRS Chapter 342.

The Department continues to work closely with all stakeholders, businesses, labor, medical providers, attorneys, self-insureds and insurers to develop ideas and implement programs which will improve the effectiveness of the Workers' Compensation System by delivering in a cost-effective manner high quality services to the constituents of the Commonwealth of Kentucky.

It is a pleasure to serve as Commissioner of the Department of Workers' Claims. Thank you for your encouragement and support.

Yours very truly,

A handwritten signature in black ink, appearing to read "D. Lovan".

Dwight T. Lovan  
Commissioner



An Equal Opportunity Employer  
M/F/D



**Dwight T. Lovan  
Commissioner**

Commissioner Dwight T. Lovan received his Bachelor's degree from Baylor University and J.D. from the University of Kentucky College of Law. Admitted to the Kentucky Bar in 1977, Commissioner Lovan worked for 15 months as a staff attorney for the Kentucky Court of Appeals with responsibility for workers' compensation appeals. From 1979 to 1990 he practiced law in Owensboro, concentrating in the areas of workers' compensation and civil litigation.

In May of 1990, Commissioner Lovan was appointed Administrative Law Judge and remained in that position until August of 1994 when he was named to the Kentucky Workers' Compensation Board. Between July 2000 and January 2004, Commissioner Lovan served as Chairman of the Kentucky Workers' Compensation Board before returning to private practice in the firm of Jones, Walters, Turner and Shelton.

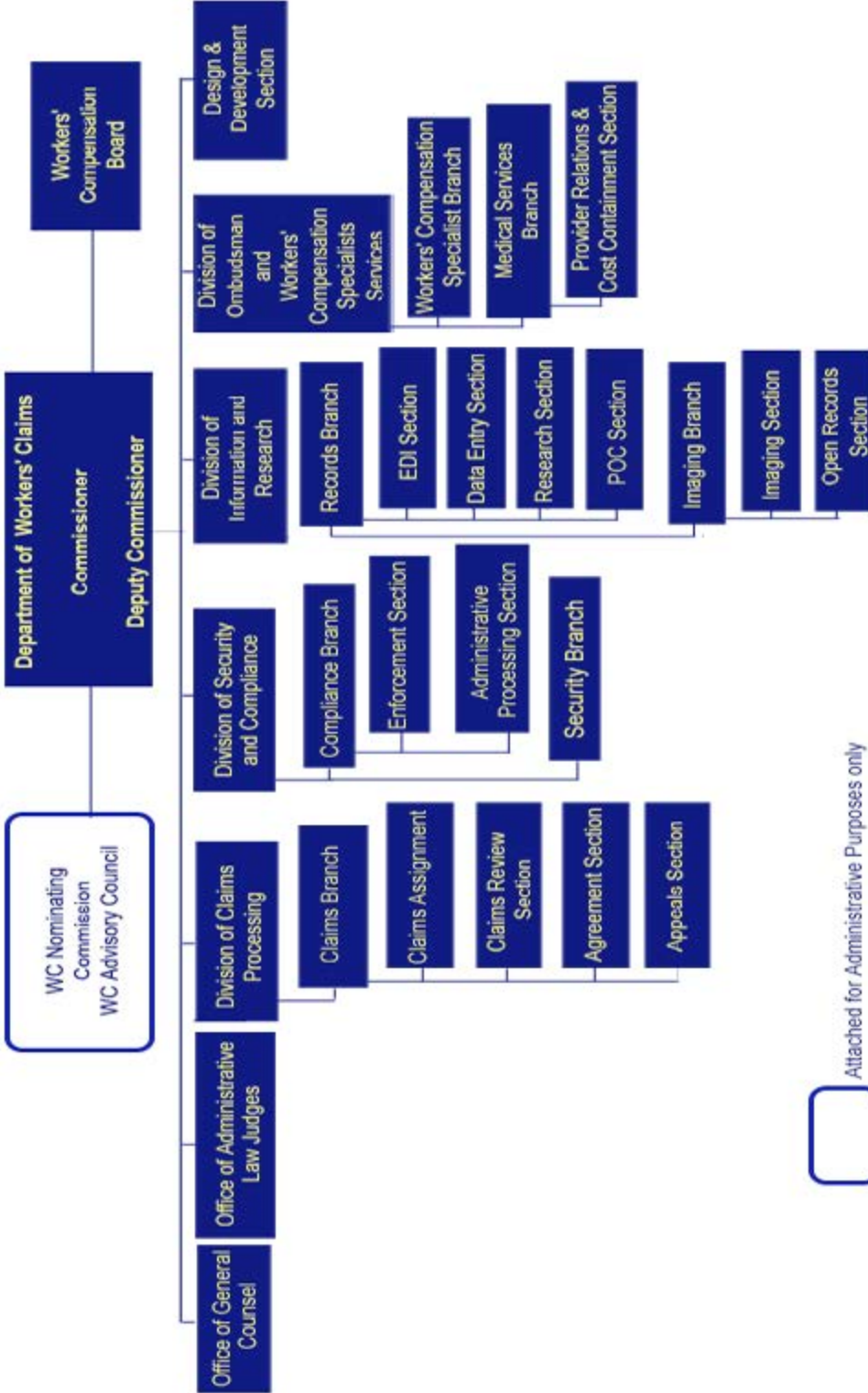
He was appointed to serve as the Commissioner of the Department of Workers' Claims in February 2008.



**Wayne Logan  
Deputy Commissioner**

Deputy Commissioner Robert Wayne Logan has been with the Kentucky Labor Cabinet for over 25 years, having started as an interim employee in 1983. After receiving his associate degree from Fugazzi Business College, he became a full-time employee in June 1984 and has served in various positions in the Department of Workers' Claims. He was appointed as Deputy Commissioner in October 2008. Deputy Commissioner Logan resides in Woodford County with his wife Kelly and two children.

Department of Workers' Claims  
Organizational Structure





# Program Statistics





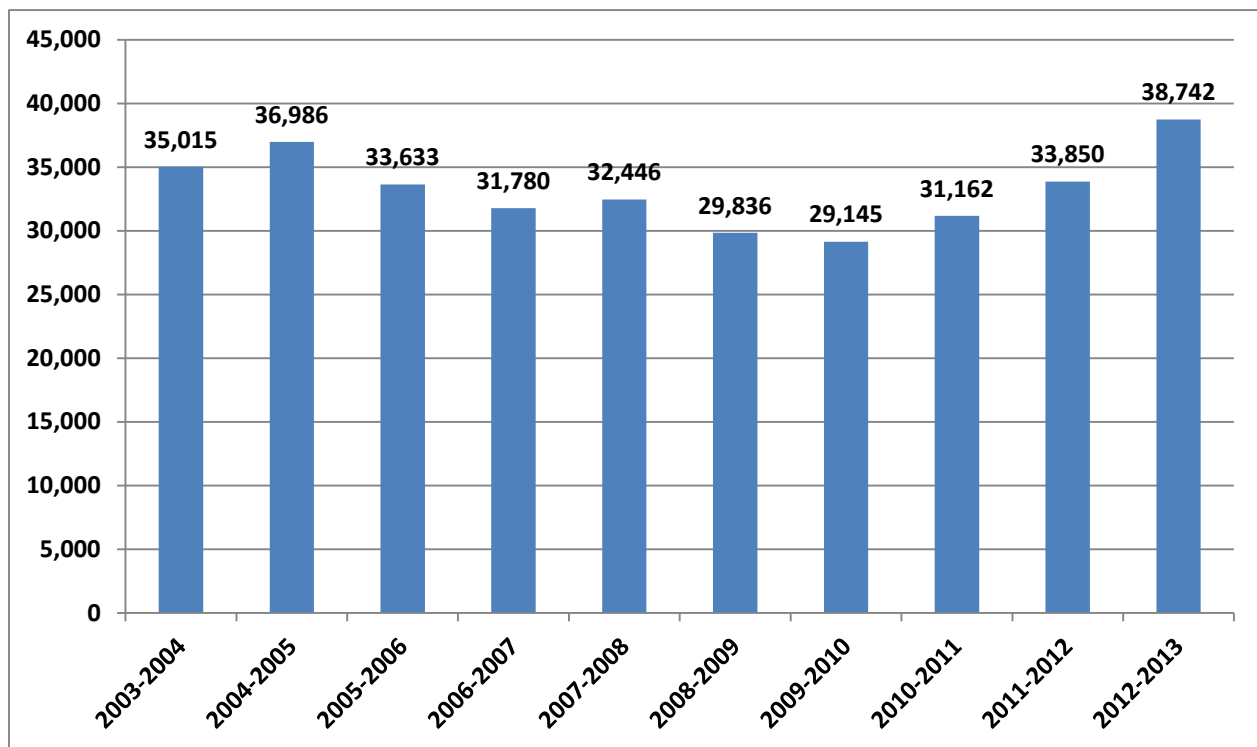
# First Reports of Injury

Kentucky Revised Statute (KRS) 342.038 mandates that employers keep a record of all employee workplace injuries and fatalities. The employer has three days to inform its workers' compensation insurance carrier or claim administrator when an injured worker misses more than one day of work as a result of an injury. These entities then have one week to file a First Report of Injury with the Department of Workers' Claims. Failure to comply with these reporting requirements may result in penalties pursuant to KRS 342.990.

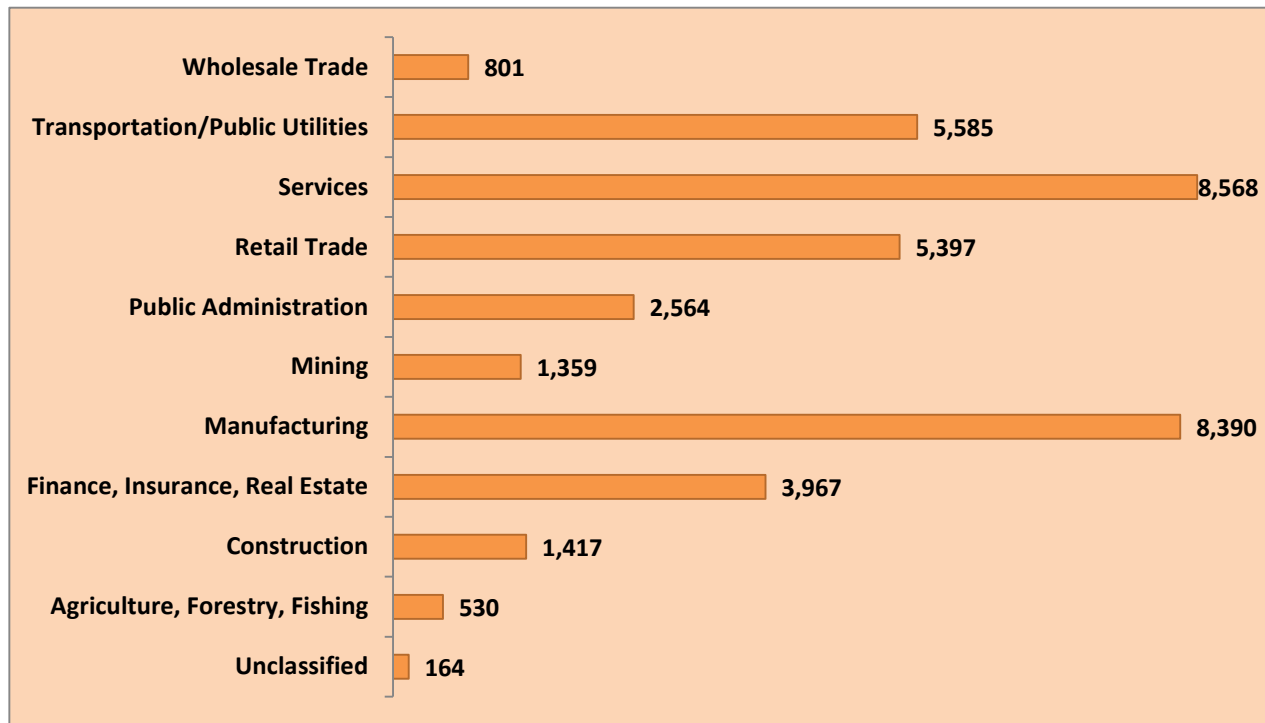
In this fiscal year, there were 38,742 lost time First Reports of Injury (FROIs) filed with the Department. Of these First Reports, 24 percent were subject to penalties.

The three most common causes of work-related injuries reported this fiscal year were falls or slips (7,578), lifting (4,654) and strains (2,951).

## First Reports of Injury by Fiscal Year



## First Reports of Injury (FROIs) by Industrial Classification Category



A review of the nature of injuries revealed that there were 13,801 strains and 5,180 contusions reported. These two categories account for 49 percent of all reported injuries. Sprains or tears were reported in 3,088 of the injuries.

Of the information reported, the low back area (including lumbar and lumbosacral) was most frequently injured (5,018). The second most common injury reported was to multiple body parts (3,732) and third was injury to the knee (3,208). This closely mimics the lost time reports of the last four fiscal years.

### FROIs By Nature Type

|   |               |
|---|---------------|
| <b>Coal Workers' Pneumoconiosis (CWP)</b> | <b>79</b>     |
| <b>Hearing Loss</b>                       | <b>121</b>    |
| <b>Injury</b>                             | <b>37,943</b> |
| <b>Other Occupational Disease</b>         | <b>599</b>    |

# Workers' Compensation Claims

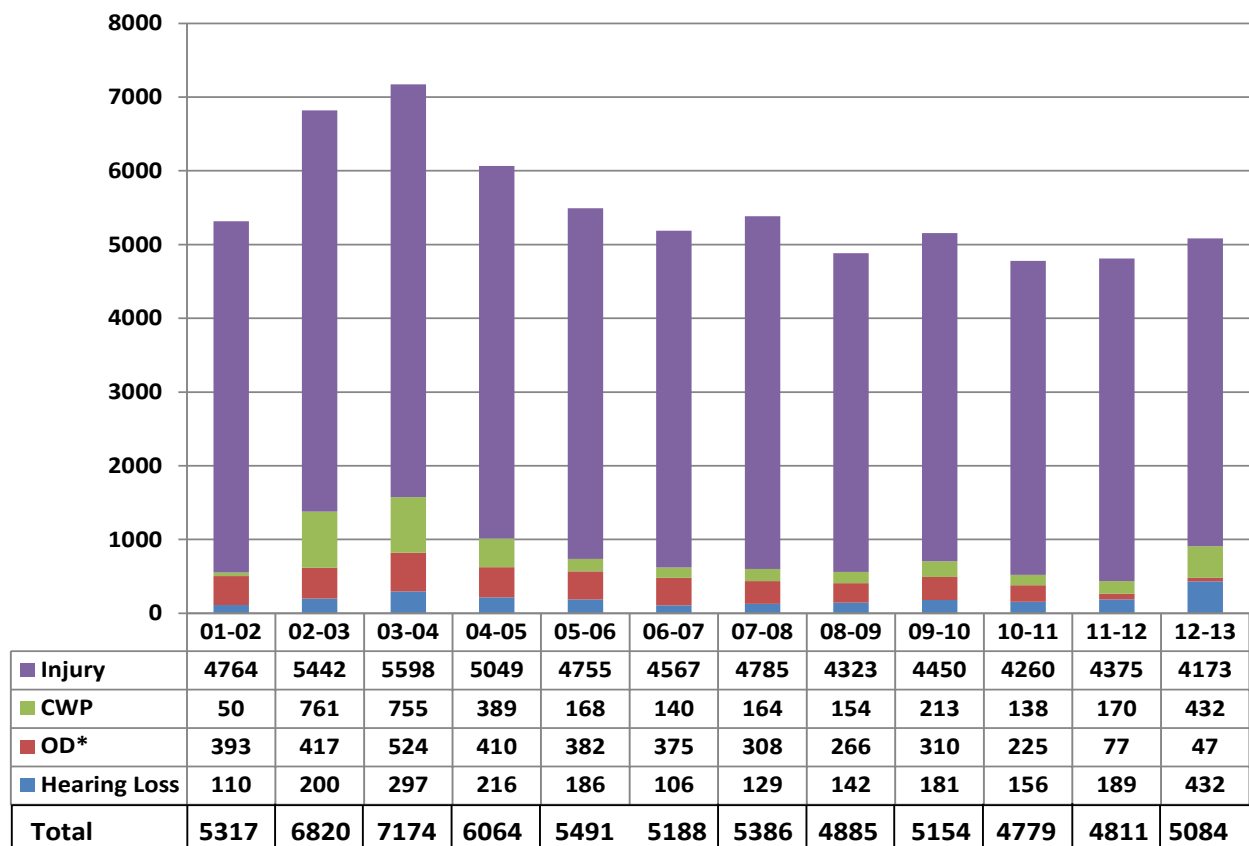
A workers' compensation claim in Kentucky originates when one of two things happens: A settlement document is filed to voluntarily resolve workers' compensation issues between parties, or by application for adjustment of a claim when the parties cannot agree and the matter must be resolved by an Administrative Law Judge.

Workers' compensation claims are typically divided into two types: indemnity/medical and medical-only. Indemnity/medical claims are those for which income benefits are paid to compensate for lost wages, functional impairment or death. Medical service costs are paid in addition to those income benefits.

Most of the data in this report pertains to indemnity claims. For an injury to be compensable, it must be a direct result of the employee's work. To be considered for temporary total income benefits, an injured worker must miss more than seven days of work. Medical-only claims are those in which medical services are delivered but the employee does not qualify for income benefits.

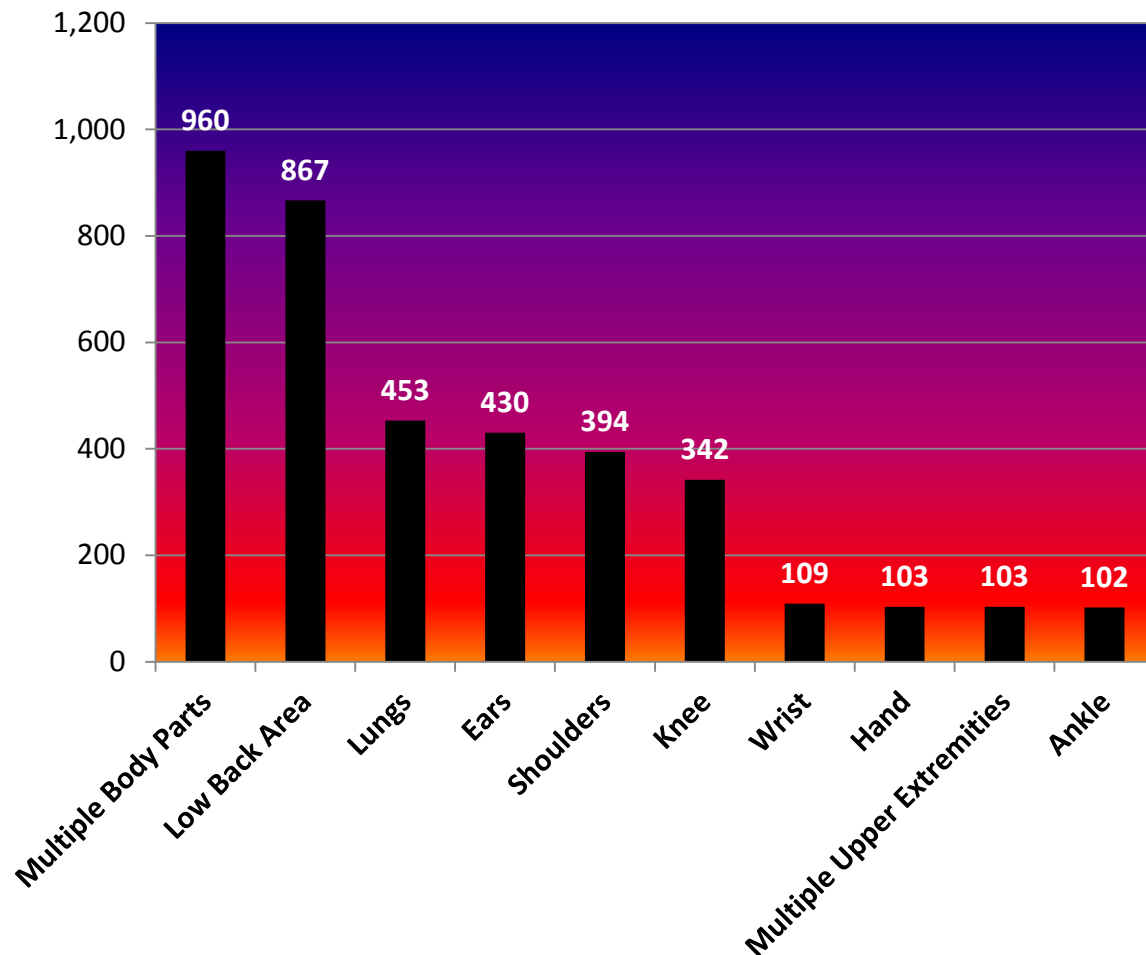
In fiscal year 2012-2013, there were 5,084 applications for resolution of claims filed with the Department of Workers' Claims.

## Claims by Fiscal Year 2012-2013



\*Prior to FY 2011/2012, OD included cumulative trauma, which should have been classified as injury.

# Distribution of Claims by Body Part Top Ten



Of the 5,084 claims that were filed this fiscal year, 1,314 claims were filed by females (26%) and 3,765 by males (74%). Five claims failed to specify gender (less than 1%). The average age of those who filed claims with the DWC was 46 years.

The Standard Classification (SIC) category with the greatest number of claims was Unclassified 1,753 with Services a close second with 700. The remaining SIC categories had the following number of claims: Manufacturing (698), Mining (475), Transportation/ Public Utilities (414), Retail Trade (339), Construction (228), Public Administration (226), Finance, Insurance, Real Estate (122), Wholesale Trade (102), and Agriculture, Forestry, Fishing (27).

In reviewing litigated injury claims, the three most common causes of injury during this reporting period were Strains (1,965), Falls, Slips or Trips (920) and Struck or Injured By (516).



## Comparison by County Labor Force, Lost Time First Reports of Injury (FROIs) and Litigated Claims FY 12-13

| County       | Total Labor Force | FROIs | % of FROIs to Labor Force | Claims | % of Claims to FROIs |
|--------------|-------------------|-------|---------------------------|--------|----------------------|
| Adair        | 9,575             | 77    | 0.80%                     | 3      | 3.90%                |
| Allen        | 8,552             | 83    | 0.97%                     | 8      | 9.64%                |
| Anderson     | 10,917            | 162   | 1.48%                     | 11     | 6.79%                |
| Ballard      | 4,164             | 22    | 0.53%                     | 4      | 18.18%               |
| Barren       | 19,851            | 415   | 2.09%                     | 23     | 5.54%                |
| Bath         | 5,197             | 33    | 0.63%                     | 5      | 15.15%               |
| Bell         | 9,697             | 184   | 1.90%                     | 56     | 30.43%               |
| Boone        | 66,112            | 1,466 | 2.22%                     | 113    | 7.71%                |
| Bourbon      | 9,537             | 185   | 1.94%                     | 13     | 7.03%                |
| Boyd         | 22,410            | 385   | 1.72%                     | 65     | 16.88%               |
| Boyle        | 12,494            | 319   | 2.55%                     | 24     | 7.52%                |
| Bracken      | 4,205             | 25    | 0.59%                     | 3      | 12.00%               |
| Breathitt    | 5,678             | 73    | 1.29%                     | 34     | 46.58%               |
| Breckinridge | 9,760             | 125   | 1.28%                     | 3      | 2.40%                |
| Bullitt      | 38,729            | 539   | 1.39%                     | 43     | 7.98%                |
| Butler       | 5,781             | 41    | 0.71%                     | 2      | 4.88%                |
| Caldwell     | 6,634             | 80    | 1.21%                     | 6      | 7.50%                |
| Calloway     | 18,412            | 371   | 2.01%                     | 21     | 5.66%                |
| Campbell     | 46,068            | 397   | 0.86%                     | 40     | 10.08%               |
| Carlisle     | 2,471             | 12    | 0.49%                     | 3      | 25.00%               |
| Carroll      | 5,432             | 218   | 4.01%                     | 9      | 4.13%                |
| Carter       | 13,034            | 123   | 0.94%                     | 17     | 13.82%               |
| Casey        | 7,301             | 91    | 1.25%                     | 10     | 10.99%               |
| Christian    | 26,893            | 698   | 2.60%                     | 58     | 8.31%                |
| Clark        | 16,785            | 285   | 1.70%                     | 48     | 16.84%               |
| Clay         | 6,970             | 70    | 1.00%                     | 24     | 34.29%               |
| Clinton      | 4,838             | 42    | 0.87%                     | 4      | 9.52%                |
| Crittenden   | 4,189             | 20    | 0.48%                     | 3      | 15.00%               |
| Cumberland   | 3,200             | 30    | 0.94%                     | 2      | 6.67%                |
| Daviess      | 50,729            | 926   | 1.83%                     | 47     | 5.08%                |
| Edmonson     | 5,120             | 29    | 0.57%                     | 2      | 6.90%                |
| Elliott      | 3,185             | 16    | 0.50%                     | 2      | 12.50%               |
| Estill       | 6,464             | 49    | 0.76%                     | 3      | 6.12%                |
| Fayette      | 158,522           | 2,683 | 1.69%                     | 325    | 12.11%               |
| Fleming      | 6,443             | 67    | 1.04%                     | 5      | 7.46%                |
| Floyd        | 15,319            | 235   | 1.53%                     | 136    | 57.87%               |
| Franklin     | 24,785            | 664   | 2.68%                     | 64     | 9.64%                |
| Fulton       | 2,482             | 56    | 2.26%                     | 5      | 8.93%                |
| Gallatin     | 4,160             | 23    | 0.55%                     | 9      | 39.13%               |
| Garrard      | 7,636             | 39    | 0.51%                     | 3      | 7.69%                |
| Grant        | 12,260            | 103   | 0.84%                     | 9      | 8.74%                |

## Comparison by County Labor Force, Lost Time First Reports of Injury (FROIs) and Litigated Claims FY 12-13

| County     | Total Labor Force | FROIs | % of FROIs to Labor Force | Claims | % of Claims to FROIs |
|------------|-------------------|-------|---------------------------|--------|----------------------|
| Graves     | 16,292            | 206   | 1.26%                     | 15     | 7.28%                |
| Grayson    | 11,410            | 176   | 1.54%                     | 8      | 4.55%                |
| Green      | 5,670             | 19    | 0.34%                     | 3      | 15.79%               |
| Greenup    | 16,649            | 120   | 0.72%                     | 15     | 12.50%               |
| Hancock    | 4,323             | 163   | 3.77%                     | 8      | 4.91%                |
| Hardin     | 49,815            | 893   | 1.79%                     | 64     | 7.17%                |
| Harlan     | 10,803            | 516   | 4.78%                     | 186    | 36.05%               |
| Harrison   | 9,416             | 109   | 1.16%                     | 3      | 2.75%                |
| Hart       | 8,607             | 94    | 1.09%                     | 3      | 3.19%                |
| Henderson  | 23,205            | 439   | 1.89%                     | 38     | 8.66%                |
| Henry      | 7,549             | 38    | 0.50%                     | 6      | 15.79%               |
| Hickman    | 1,992             | 19    | 0.95%                     | 2      | 10.53%               |
| Hopkins    | 23,114            | 561   | 2.43%                     | 40     | 7.13%                |
| Jackson    | 4,255             | 29    | 0.68%                     | 6      | 20.69%               |
| Jefferson  | 369,289           | 9,214 | 2.50%                     | 772    | 8.38%                |
| Jessamine  | 23,876            | 367   | 1.54%                     | 28     | 7.63%                |
| Johnson    | 9,533             | 115   | 1.21%                     | 35     | 30.43%               |
| Kenton     | 84,661            | 998   | 1.18%                     | 79     | 7.92%                |
| Knott      | 6,273             | 91    | 1.45%                     | 172    | 189.01%              |
| Knox       | 12,143            | 98    | 0.81%                     | 29     | 29.59%               |
| Larue      | 6,947             | 43    | 0.62%                     | 3      | 6.98%                |
| Laurel     | 26,794            | 379   | 1.41%                     | 109    | 28.76%               |
| Lawrence   | 6,141             | 128   | 2.08%                     | 24     | 18.75%               |
| Lee        | 2,697             | 46    | 1.71%                     | 6      | 13.04%               |
| Leslie     | 3,819             | 44    | 1.15%                     | 33     | 75.00%               |
| Letcher    | 8,781             | 200   | 2.28%                     | 126    | 63.00%               |
| Lewis      | 5,389             | 56    | 1.04%                     | 4      | 7.14%                |
| Lincoln    | 10,304            | 96    | 0.93%                     | 6      | 6.25%                |
| Livingston | 4,760             | 55    | 1.16%                     | 9      | 16.36%               |
| Logan      | 12,417            | 171   | 1.38%                     | 9      | 5.26%                |
| Lyon       | 3,449             | 45    | 1.30%                     | 4      | 8.89%                |
| Madison    | 45,820            | 875   | 1.91%                     | 68     | 7.77%                |
| Magoffin   | 4,314             | 42    | 0.97%                     | 36     | 85.71%               |
| Marion     | 10,427            | 261   | 2.50%                     | 30     | 11.49%               |
| Marshall   | 14,787            | 164   | 1.11%                     | 19     | 11.59%               |
| Martin     | 3,745             | 73    | 1.95%                     | 65     | 89.04%               |
| Mason      | 8,692             | 136   | 1.56%                     | 11     | 8.09%                |
| McCracken  | 31,795            | 474   | 1.49%                     | 68     | 14.35%               |
| McCreary   | 5,785             | 52    | 0.90%                     | 1      | 1.92%                |
| McLean     | 4,668             | 31    | 0.66%                     | 0      | 0.00%                |
| Meade      | 12,441            | 65    | 0.52%                     | 6      | 9.23%                |

## Comparison by County Labor Force, Lost Time First Reports of Injury (FROIs) and Litigated Claims FY 12-13

| County       | Total Labor Force | FROIs  | % of FROIs to Labor Force | Claims | % of Claims to FROIs |
|--------------|-------------------|--------|---------------------------|--------|----------------------|
| Menifee      | 2,548             | 20     | 0.78%                     | 4      | 20.00%               |
| Mercer       | 10,198            | 176    | 1.73%                     | 11     | 6.25%                |
| Metcalfe     | 4,311             | 21     | 0.49%                     | 2      | 9.52%                |
| Monroe       | 4,877             | 104    | 2.13%                     | 6      | 5.77%                |
| Montgomery   | 13,160            | 319    | 2.42%                     | 52     | 16.30%               |
| Morgan       | 5,435             | 58     | 1.07%                     | 9      | 15.52%               |
| Muhlenberg   | 13,161            | 178    | 1.35%                     | 24     | 13.48%               |
| Nelson       | 21,563            | 483    | 2.24%                     | 34     | 7.04%                |
| Nicholas     | 3,207             | 17     | 0.53%                     | 2      | 11.76%               |
| Ohio         | 13,291            | 171    | 1.29%                     | 16     | 9.36%                |
| Oldham       | 29,007            | 307    | 1.06%                     | 22     | 7.17%                |
| Owen         | 5,315             | 52     | 0.98%                     | 4      | 7.69%                |
| Owsley       | 1,584             | 9      | 0.57%                     | 2      | 22.22%               |
| Pendleton    | 7,073             | 70     | 0.99%                     | 4      | 5.71%                |
| Perry        | 11,900            | 334    | 2.81%                     | 328    | 98.20%               |
| Pike         | 26,115            | 706    | 2.70%                     | 345    | 48.87%               |
| Powell       | 5,641             | 64     | 1.13%                     | 7      | 10.94%               |
| Pulaski      | 27,669            | 568    | 2.05%                     | 71     | 12.50%               |
| Robertson    | 1,066             | 1      | 0.09%                     | 0      | 0.00%                |
| Rockcastle   | 7,664             | 54     | 0.70%                     | 9      | 16.67%               |
| Rowan        | 12,840            | 170    | 1.32%                     | 24     | 14.12%               |
| Russell      | 8,680             | 129    | 1.49%                     | 8      | 6.20%                |
| Scott        | 24,240            | 945    | 3.90%                     | 102    | 10.79%               |
| Shelby       | 22,042            | 335    | 1.52%                     | 20     | 5.97%                |
| Simpson      | 9,698             | 213    | 2.20%                     | 13     | 6.10%                |
| Spencer      | 8,912             | 36     | 0.40%                     | 3      | 8.33%                |
| Taylor       | 14,126            | 211    | 1.49%                     | 17     | 8.06%                |
| Todd         | 5,580             | 40     | 0.72%                     | 1      | 2.50%                |
| Trigg        | 6,645             | 166    | 2.50%                     | 7      | 4.22%                |
| Trimble      | 4,107             | 13     | 0.32%                     | 5      | 38.46%               |
| Union        | 7,537             | 210    | 2.79%                     | 33     | 15.71%               |
| Warren       | 60,564            | 1,269  | 2.10%                     | 65     | 5.12%                |
| Washington   | 5,590             | 98     | 1.75%                     | 8      | 8.16%                |
| Wayne        | 8,118             | 106    | 1.31%                     | 6      | 5.66%                |
| Webster      | 6,370             | 153    | 2.40%                     | 9      | 5.88%                |
| Whitley      | 15,845            | 334    | 2.11%                     | 98     | 29.34%               |
| Wolfe        | 2,457             | 23     | 0.94%                     | 4      | 17.39%               |
| Woodford     | 13,150            | 279    | 2.12%                     | 22     | 7.89%                |
| Out-of-State |                   | 1,138  |                           | 234    | 20.56%               |
| Unknown      |                   |        |                           | 39     | 0.00%                |
| Grand Total  | 2,086,124         | 38,742 | 1.86%                     | 5084   | 13.12%               |

Workforce data provided by the Department of Workforce Investment.  
Agriculture is included in the total labor force numbers.  
Unknown numbers are due to insufficient reporting information.

# Injuries to Minors

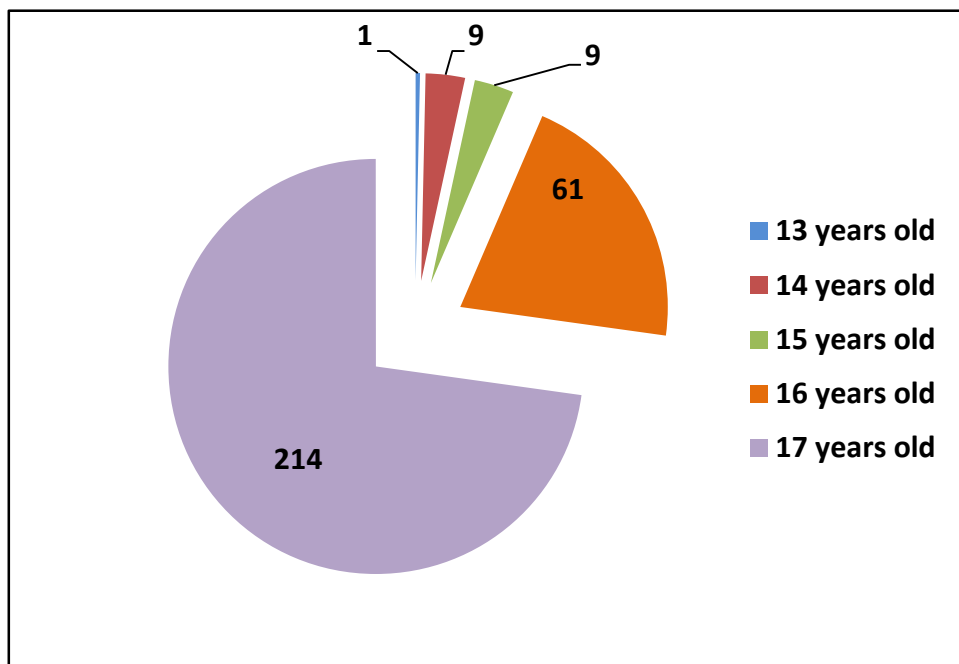
In fiscal year 2012-2013, there were 293 lost-time injuries to workers under the age of 18 reported to the Department of Workers' Claims.

According to electronic data submitted to the Department, one injury was reported for a worker 13 years of age; nine injuries were reported for workers 14 years of age; nine injuries were reported for workers 15 years of age; 61 injuries were reported for workers 16 years of age; and 214 injuries were reported in which the workers were 17.

Based on the standard classification (SIC) codes represented on injuries to minors during this period, 115 injuries occurred in the Services sector and 112 occurred in the Retail Trade sector. The Transportation/Public Utilities sector reported 33; the Finance, Insurance and Real Estate reported 12; the Public Administration sector reported 10; the Manufacturing sector reported 6; the Construction sector reported two and Agriculture, Forestry, Fishing, Mining and Wholesale Trade all reported one each.

The top three causes of injury to minors reported during this fiscal year were falls or slips (52), burns by steam or hot fluids (45) and cut, puncture or scrape (41). Accordingly, the top three body parts most frequently injured were fingers (48), hands (38) and lower back which was reported in 25 instances.

## Distribution of Injuries to Minors by Age



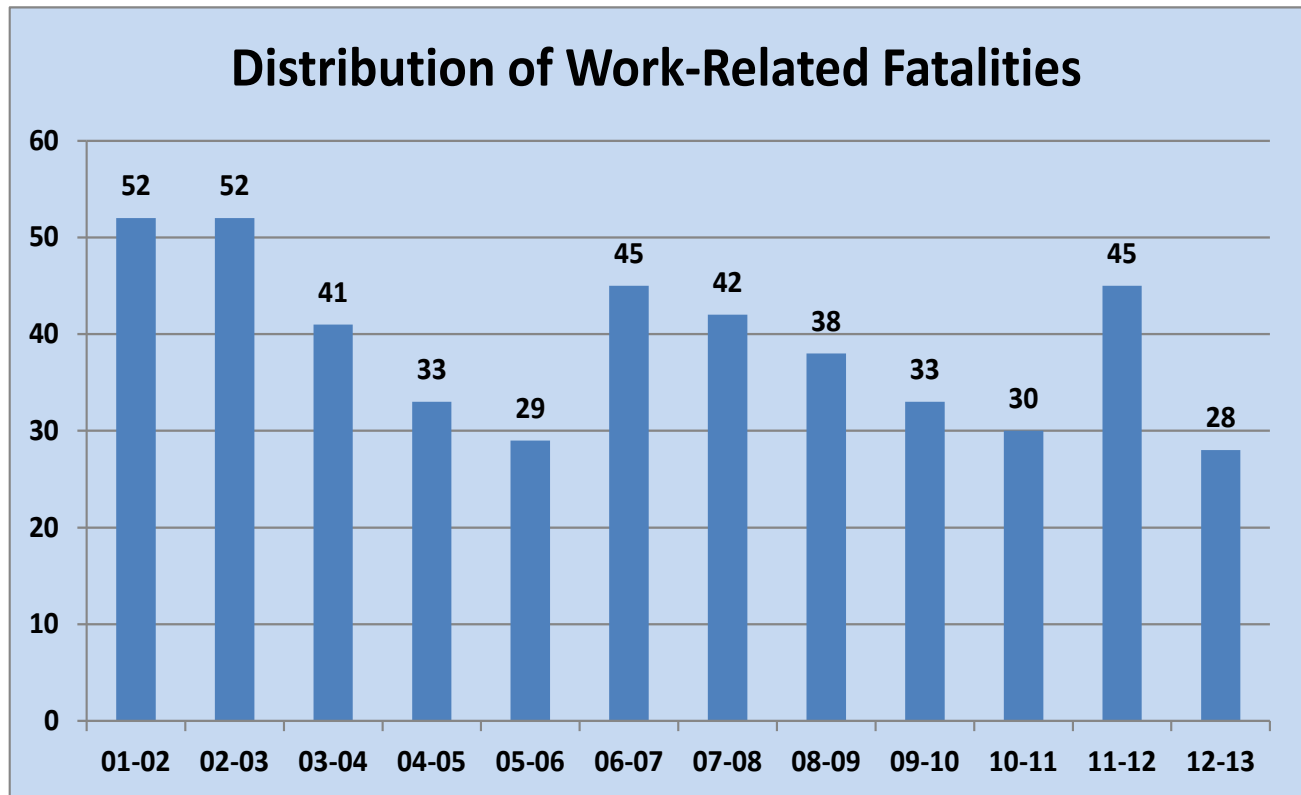


# Work-Related Fatalities

There were 78 workplace fatalities reported to the Department of Workers' Claims during this fiscal year. However, after investigation, 28 of the deaths were found to be clearly work-related. The remaining have been ruled not work-related (29), containing issues which have the case in a pending status (7), and (14) undetermined.

The youngest of the casualties was a 24 year-old male who died in a motor vehicle accident. The oldest worker was a 65-year-old male who died from being struck by a motor vehicle. The most common causes of death this fiscal year were motor vehicles (12) and caught in, under or between collapsing materials (14).

The fatalities reported to DWC occurred in a variety of industries ranging from local trucking, manufacturing, constructions, mining and lawn and garden.



## Attorney Fees Awarded During FY 2012-2013

|           | Number of Fees<br>Approved | Total Fees<br>Awarded | Average Fee |
|-----------|----------------------------|-----------------------|-------------|
| Plaintiff | 4,287                      | \$20,962,080.05       | \$4,889.69  |
| Defense   | 2,336                      | \$11,481,195.91       | \$4,914.90  |

\*Based on motion made by attorney.



# Fiscal Performance

All the funding for the Department of Workers' Claims comes from an assessment imposed upon the amount of workers' compensation premiums received by every insurance carrier writing workers' compensation insurance in the Commonwealth, and against the simulated premium of every employer carrying its own risk. These funds are collected and managed by the Workers' Compensation Funding Commission (KRS 342.122). These are restricted funds and no general fund dollars are appropriated for DWC operations.



# DWC PERSONNEL AD BUDGET HISTORY

## FY 1992-93 THROUGH 2012-13

| FISCAL YEAR | PERSONNEL CAP | PERSONNEL ACTUAL | BUDGET ALLOTMENT (\$) | ACTUAL EXPENDITURES (\$) | DIFFERENCE (\$) | PERCENTAGE BUDGET |
|-------------|---------------|------------------|-----------------------|--------------------------|-----------------|-------------------|
| 2012-2013   | 181           | 162              | 15,945,500            | 15,122,771               | (822,729)       | 94.80%            |
| 2011-2012   | 181           | 170              | 15,670,600            | 14,563,810               | (1,106,790)     | 92.90%            |
| 2010-2011   | 181           | 172              | 15,229,700            | 14,827,465               | (402,235)       | 97.4%             |
| 2009-2010   | 185           | 175              | 14,888,900            | 14,283,695               | (605,205)       | 95.9%             |
| 2008-2009   | 174           | 167              | 14,170,100            | 13,373,435               | (796,665)       | 94.4%             |
| 2007-2008   | 184           | 160              | 11,455,000            | 10,794,005               | (660,995)       | 94.2%             |
| 2006-2007   | 184           | 167              | 10,211,700            | 9,840,070                | (371,630)       | 96.4%             |
| 2005-2006   | 173           | 156              | 11,093,300            | 10,634,776               | (458,524)       | 95.9%             |
| 2004-2005   | 173           | 163              | 9,498,700             | 9,182,865                | (315,834)       | 96.7%             |
| 2003-2004   | 195           | 188              | 13,649,200            | 10,735,937               | (2,913,263)     | 78.7%             |
| 2002-2003   | 242           | 201              | 16,397,700            | 13,384,935               | (3,012,765)     | 81.6%             |
| 2001-2002   | 242           | 204              | 15,806,800            | 13,373,836               | (2,432,963)     | 84.6%             |
| 2000-2001   | 242           | 208              | 14,942,300            | 12,716,927               | (2,258,373)     | 85.1%             |
| 1999-2000   | 268           | 207              | 15,637,000            | 12,387,288               | (3,249,712)     | 79.2%             |
| 1998-1999   | 268           | 208              | 14,994,000            | 12,606,188               | (2,387,812)     | 84.1%             |
| 1997-1998   | 272           | 227              | 15,182,500            | 12,588,527               | (2,593,973)     | 82.9%             |
| 1996-1997   | 272           | 229              | 12,137,900            | 11,057,391               | (1,080,509)     | 91.0%             |
| 1995-1996   | 207           | 138              | 9,822,200             | 9,479,970                | (342,230)       | 96.5%             |
| 1994-1995   | 210           | 120              | 9,757,200             | 8,586,716                | (1,170,484)     | 88.0%             |
| 1993-1994   | 167           | 159              | 7,860,000             | 7,337,688                | (522,312)       | 93.4%             |
| 1992-1993   | 167           | 160              | 7,505,100             | 7,004,561                | (500,539)       | 93.0%             |



# Programs and Performance



# Office of Administrative Services

The Office of Administrative Services' responsibilities include ensuring all financial transactions and personnel actions comply with applicable laws and regulations; are executed in a timely manner; and are properly documented and allocated to the appropriate program budget unit. Some of the functions Administrative Services perform include: managing and executing the annual budget and all contracts and leases; responding to all requests for publications and forms; processing all incoming and outgoing mail; procuring supplies and equipment; maintaining infrastructure for 17 agency locations; coordinating DWC training; and providing daily assistance to all divisions of the Department of Workers' Claims.

The following publications are made available by the DWC:

Medical Fee Schedule for Physicians  
Commissioner's Report on "B" Readers  
Workers' Compensation Posting Notice  
Life Expectancy Tables  
Rehabilitation Pamphlet  
Compliance Inspection Pamphlet  
List of "B" Readers for CWP  
Acute Low Back Pain Booklet

Workers' Compensation Forms  
Hospital Fee Schedule  
Annual Report  
Benefits Schedule  
Quarterly Report  
Present Worth Table  
Workers' Compensation Guidebook

The following pages contain a list of forms that may be requested through Administrative Services or by accessing the Department of Workers' Claims web site at <http://www.labor.ky.gov/workersclaims/pages/forms.aspx>. The only exceptions to this are the Form 4 and Form 5 which can only be obtained by contacting Administrative Services.



# Forms

|                                       |  |
|---------------------------------------|--|
| Checklist                             | Checklist for Petitioner's Brief   |
| Checklist                             | Checklist for Respondent's Brief   |
| Form AWW-1                            | Average Weekly Wage Certification  |
| Form 11                               | Motion to Substitute Party and Continue Benefits   |
| Form 101                              | Application for Resolution of Injury Claim   |
| Form 102-OD                           | Application for Resolution of Occupational Disease Claim                                     |
| Form 102-CWP                          | Application for Resolution of Coal Workers' Pneumoconiosis Claim                             |
| Form 103                              | Application for Resolution of Hearing Loss Claim   |
| Form 104                              | Plaintiff's Employment History   |
| Form 105                              | Plaintiff's Chronological Medical History  |
| Form 106                              | Medical Waiver and Consent Form  |
| Form 107-I                            | Physician's Medical Report-Injury  |
| Form 107-P                            | Physician's Medical Report-Psychological   |
| Form 108-CWP                          | Physician's Medical Report-Coal Workers' Pneumoconiosis                                      |
| Form 108-HL                           | Physician's Medical Report-Hearing Loss  |
| Form 108-OD                           | Physician's Medical Report-Occupational Disease  |
| Form 109                              | Attorney Fee Election  |
| Form 110-CWP                          | Agreement as to Compensation and Order Approving Settlement for Coal Workers' Pneumoconiosis |
| Form 110-F                            | Agreement as to Compensation and Order Approving Settlement-Fatality                         |
| Form 110-I                            | Agreement as to Compensation and Order Approving Settlement-Injury                           |
| Form 110-OD                           | Agreement as to Compensation and Order Approving Settlement-Occupational Disease             |
| Form 111-I-HL                         | Notice of Claim Denial or Acceptance-Injury and Hearing Loss                                 |
| Form 111-OD                           | Notice of Claim Denial or Acceptance-Occupational Disease                                    |
| Form 112                              | Medical Dispute  |
| Form 113                              | Notice of Designated Physician   |
| Form 114                              | Request for Payment for Services or Reimbursement for Compensable Expenses                   |
| Form 115                              | Social Security Release Form   |
| Form 120EX                            | Request for Expedited Determination of Medical Issue   |
| Form 150                              | Workers' Compensation Statistical Report   |
| Form 375                              | Application for Split Coverage   |
| Form 375 Wrap Up                      | Application for Split Coverage (Wrap Up)   |
| Form EL1 and EL2                      | Employee Leasing Company Registration Form   |
| Form MTR-1                            | Motion to Reopen by Employee   |
| Form MTR-2                            | Motion to Reopen KRS 342.732 Benefits  |
| Form MTR-3                            | Motion to Reopen by Defendant  |
| Form NMRP                             | Notice of Filing Medical Report  |
| Form Hearing Loss Stipulation         | Workers' Compensation-Hearing Loss Stipulation   |
| Form Injury Stipulation               | Workers' Compensation-Injury Stipulation   |
| Form Occupational Disease Stipulation | Workers' Compensation-Occupational Disease Stipulation                                       |
| Form SI-01                            | Self-Insurers' Guarantee Agreement   |
| Form SI-02                            | Self-Insurance Application   |
| Form SI-02 Attachment                 | Self-Insurance Application Attachment  |
| Form SI-03                            | Continuous Bond  |

# Forms

|   |   |
|---|---|
| Form SI-03 Attachment   | Surety Rider  |
| Form SI-04  | Letter of Credit  |
| Form SI-08  | Loss Report   |
| IA-1*   | IAIABC First Report of Injury Form  |
| IA-2*   | IAIABC Subsequent Report of Injury Form   |
| Ky Drug-Free Workplace Application  | Application/Affidavit/Checklist for Certification of Ky Drug-Free Workplace Program Pursuant to 803 KAR 25:280  |
| Ky Workers' Compensation Act Notarized Affidavit of Exemption by Building Contractor (Corporation or Partnership) | Affidavit of Building Contractor (declaring no employees) which is filed with local building permit.  |
| Ky Workers' Compensation Act Notarized Affidavit of Exemption by Building Contractor (Individual)                 | Affidavit of Building Contractor (declaring no employees) which is filed with local building permit.  |
| Managed Care - UR Form  | Managed Care - UR Form  |
| MIR-1   | Motion for Interlocutory Relief-If you are attempting to fill out this form without counsel, you may contact a workers' compensation specialist for assistance toll free at 800-554-8601.                     |
| MIR-2   | Affidavit for Payment of Medical Expenses-If you are attempting to fill out this form without counsel, you may contact a workers' compensation specialist for assistance toll free at 800-554-8601.           |
| MIR-3   | Affidavit for Payment of Temporary Total Disability-If you are attempting to fill out this form without counsel, you may contact a workers' compensation specialist for assistance toll free at 800-554-8601. |
| MIR-4   | Affidavit Regarding Rehabilitation Services-If you are attempting to fill out this form without counsel, you may contact a workers' compensation specialist for assistance toll free at 800-554-8601.         |
| Service Contract Agreement  | Service Contract Agreement  |
| Open Records Request Form   | Request for copies/inspection of DWC claim files.   |
| Self-Insurance Open Records Request Form  | Request for copies/inspection of Self-Insurance files.  |
| Subpoena  | Subpoena  |
| Subpoena Duces Tecum  | Subpoena Duces Tecum  |
| Workers' Compensation Posting Notice  | Workers' Compensation Posting Notice  |

\*The IA-1 and IA-2 forms are not accepted by the DWC in paper form. These must be submitted via EDI from the insurance carrier. IA-1 and IA-2 paper forms received by the DWC are returned to sender.

# Design and Development Section

The Design and Development Section responds to all development and programming needs for the Department of Workers' Claims. Design and Development staff work to enhance the agency's Server-based System for Information Management and Business Application (SIMBA), Electronic Data Interchange (EDI) and Proof of Coverage (POC) programs to meet the evolving needs of the agency. Design and Development staff apply new features to SIMBA, EDI, POC, Reports and other applications for the agency.

During the past fiscal year, the Design and Development staff received 516 new test track issues, completed 764 test track issues and performed 309 builds, patches and updates. A major project for Design and Development Section (D&D) was the designing, programming of screens/reports, data conversion and implementation of the Frankfort Motion Docket and Claims Agreements stand-alone Microsoft Access databases into SIMBA. Staff also met with sections on integrating Claims Review and Claims Assignment stand-alone access databases into SIMBA. SIMBA/EDI/POC screens, reports and form letters were modified to reflect change or enhancement requests. Issues and/or requests for SIMBA/EDI/POC were addressed over



several builds, and patches. New status codes and FileNet codes were added to the system. User security accounts for SIMBA and FileNet were enabled and disabled as needed. Staff attended meetings to discuss new procedures for Medical Dispute process and made requested changes to SIMBA. Section staff assisted vendors/trading partners with FROI/SROI & POC electronic filings. Staff applied the 2013 Workers' Compensation Benefit Schedule and Present Worth Table figures to the 992 Table Calculator program. Staff assisted users with KRONOS/KHRIS programs and created or modified KHRIS schedules. Staff ran error reports in KHRIS for timesheets, worked with users on corrections and submitted amended timesheets to GAPS. Staff attended meetings for the Online Open Records Project and made recommendations to vendor on design and functionality for this project. Custom queries were written and ran when data was needed in addition to that supplied by existing programs and reports. Staff monitored and updated the CompLaw program with monthly board opinions. DWC staff attended the IAIABC conference and other trainings throughout the year.



# Office of General Counsel

The Office of General Counsel is responsible for providing legal support services to the Department of Workers' Claims. The office advises the Commissioner's Office as to responsibilities with regard to personnel actions under KRS Chapter 18A and defends the agency in any actions, personnel or otherwise, that are filed against the department. Additionally, the office has responsibility for promulgating regulations required of the department and drafting and reviewing legislation. The office provides assistance to the Enforcement Branch in ensuring compliance with workers' compensation laws for imposition of injunctions and fines against employers who neglect or refuse to provide workers' compensation coverage for their employees. In circumstances where an employee is injured and their employer has failed to provide insurance coverage, liens are filed against assets of uninsured employers pursuant to KRS 342.770. The office is responsible for reviewing open records requests in compliance with the state's open records law. The office investigates unfair claims practices and is responsible for issuing show cause orders and representing the department at hearings when it has been determined that an unfair claims practice has occurred.



During this past fiscal year, the Legal Services Division collected approximately \$988,164.00 in fines and penalties. The office received 731 citation cases, 50 unfair claims settlement practice cases and six new fraud cases. This office has filed restraining orders and collection actions in circuit court, held formal hearings and show cause hearings before administrative law judges and drafted agreed orders for settlements with regard to the above cases. The Office of General Counsel has also represented the agency, more specifically the Security and Compliance Division, in hearings with regard to self-insurance audits, bankruptcy proceedings and insurance company rehabilitation proceedings.



# Administrative Law Judges

The Department of Workers' Claims has 19 Administrative Law Judge (ALJ) positions allocated, 16 of which are currently filled. Each ALJ is appointed for a four-year term by the Governor and is subject to confirmation by the Kentucky State Senate. One of the ALJs is designated Chief Administrative Law Judge pursuant to KRS 342.230(8).

## Chief Administrative Law Judge

The Chief Administrative Law Judge regularly works from the Frankfort office. The CALJ presides over the Frankfort motion docket. In addition, the CALJ rules on settlement agreements in unassigned cases and regularly conducts dockets for coal workers' pneumoconiosis (CWP) cases, as well as conducts hearings in various enforcement actions. The CALJ supervises ALJ activities, prepares a rotation schedule for the ALJs, plans two adjudicator training sessions annually, takes initial assignment of all CWP claims and covers dockets for other ALJs on an emergency basis.



J. Landon Overfield  
B. A., Political Science, 1970,  
University of Kentucky  
J.D., 1972, University of Kentucky  
College of Law  
Initial appointment date: November 15, 1994  
Chief ALJ January 1, 2009 - June 30, 2009  
September 1, 2010-Present



Steven G. Bolton  
 B.A. History, 1968 Hanover College  
 J.D., 1973, University of Kentucky  
 College of Law  
 Initial Appointment Date: July 15, 2012



Scott Borders  
 B.A., Business Administration, 1984,  
 University of Kentucky  
 J.D., 1987, Salmon P. Chase College of Law  
 Initial appointment date: December 7, 2001



John Coleman  
 B.A., 1986, Morehead State University  
 J.D., 1992, Salmon P. Chase  
 College of Law  
 Initial appointment date: January 1998



Chris Davis  
 B.A., 1994, University of Kentucky  
 J.D., 1998, University of Kentucky  
 College of Law  
 L.L.M., 2000, Loyola Chicago  
 Initial appointment date: January 12, 2007



Douglas W. Gott  
 B.A., 1987, Western Kentucky University  
 J.D., 1991, University of Kentucky  
 College of Law  
 Initial appointment date: June 23, 2008



Edward D. Hays  
 B.A., 1970, University of Kentucky  
 J.D., 1973 University of Kentucky  
 College of Law  
 Initial appointment date: August 1, 2008



Jeanie O. Miller  
 B.A., 1976, University of Kentucky  
 M.P.A., 1981, University of Kentucky  
 J.D., 1984, University of Kentucky  
 Initial appointment date: January 1, 2010



Grant Roark  
 B.S., 1992, University of Kentucky  
 J.D., 1995, University of Louisville  
 College of Law  
 Initial appointment date: February, 2004





Thomas Polites  
 B.S. 1981 Tulane University  
 J.D. 1987 Salmon P. Chase College of Law  
 Initial Appointment July 16, 2012



William Rudloff  
 A.B., 1961, Western Kentucky University  
 J.D., 1965, Vanderbilt University  
 Initial Appointment Date: January 1, 2012



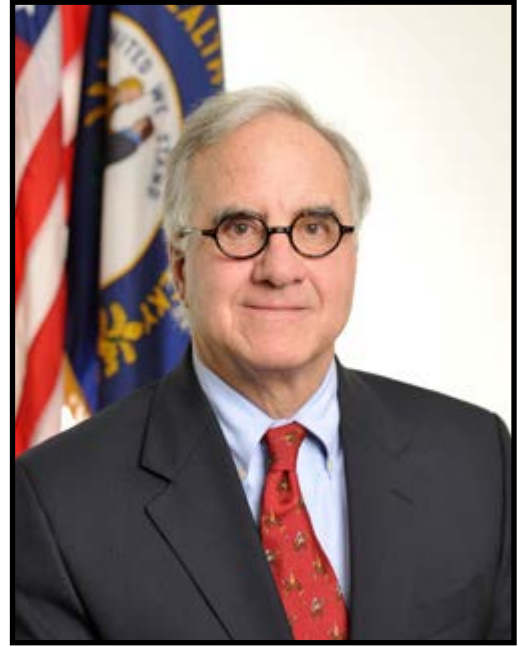
Robert L. Swisher  
 A.B., 1976 University of Notre Dame  
 J.D., 1979, University of Kentucky  
 Initial appointment date: January 1, 2010



Jonathan Weatherby  
 B.A. Kentucky State University 1995  
 J.D. University of Kentucky 1998  
 Initial Appointment Date: January 1, 2012



Jane Rice Williams  
B.A. 1992 University of Kentucky  
J.D. 1995 Salmon P. Chase, College of Law  
Initial Appointment Date: July 15, 2012



Otto Daniel Wolff IV  
B.A., 1970, University of Cincinnati  
J.D. 1974, University of Cincinnati  
Initial appointment date: July 15, 2008

# Administrative Law Judge Activity

Under the guidance and supervision of the Chief Administrative Law Judge, the ALJs oversee the adjudication of claims filed with the Department of Workers' Claims. The ALJs are required to conduct benefit review conferences and formal hearings in these claims. Thereafter, they are required to issue decisions within 60 days of the hearing. These decisions must contain findings of fact and rulings of law and are subject to appeal to the Workers' Compensation Board, Court of Appeals and Supreme Court.

Benefit review conferences and hearings are held at 10 hearing sites in Kentucky maintained by the Department of Workers' Claims. In January 2012, the number of active hearing site sites was reduced to 10. Currently, hearing sites are located in Bowling Green, Florence, Frankfort, Hazard, Lexington, London, Louisville, Owensboro, Paducah and Pikeville.

During the past fiscal year, the ALJs conducted 4,237 benefit review conferences. This conference is an informal meeting for the parties to define and narrow the issues of the claim, discuss settlement options and consider other relevant matters that may aid in the resolution of the claim. A substantial number of those cases were settled; formal hearings were held in the remainder. The ALJs conducted 2,012 formal hearings and issued 1,743 opinions. The ALJs also participated in two training sessions and attended and/or made presentations to various seminars and groups on workers' compensation topics.





# Summary of FY 2012-2013 Published Kentucky Supreme Court Workers' Compensation Cases

**ROGER W. TUDOR v. INDUSTRIAL MOLD & MACHINE CO., INC. , 375 S.W.3d 63 (Ky. 2012)**

**Subject: Benefit Calculation**

Impairment from a non-compensable disability could not be included when calculating a workers' compensation claimant's permanent partial disability benefit; statutes governing such awards expressly prohibit "impairment" from a non-work-related disability from being considered when selecting the permanent impairment rating caused by an injury, when calculating the disability rating and permanent partial disability benefit, and when determining the duration of the benefit.

**GREG'S CONSTRUCTION V. JERRY KEETON, 385 S.W.3d 420 (Ky. 2012)**

**Subject: Hearing loss**

Employer with whom the claimant is last injuriously exposed to hazardous noise is solely responsible for hearing loss benefits.

**JAMES T. ENGLISH TRUCKING V. AARON K. BEELER, 375 S.W.3d 67 (Ky. 2012)**

**Subject: Three Multiplier**

The claimant was entitled to receive a triple partial disability benefit based on all of the impairment resulting from his original work-related injury from date of his motion to reopen through end of compensable period.

**BRENT ARNOLD V. TOYOTA MOTOR MANUFACTURING, 375 S.W.3d 56 (Ky. 2012)**

**Subject: TTD KRS 342.0011(11)(a).**

A worker's entitlement to temporary total disability (TTD) benefits may or may not begin on the date of injury. Both failure to reach maximum medical improvement (MMI) from the effects of an injury and failure to reach a level of improvement that would permit a return to customary employment must be present throughout an awarded period of temporary total disability (TTD) benefits.

**PATRICIA HORNBACK V. HARDIN MEMORIAL HOSPITAL --- S.W.3d --- (Ky. 2013) WL 2285206, 2012-SC-000195-WC**

**Subject: Safety Violation**

Security staff attempted to rescue claimant. As a result of their attempt, she fell several stories down an elevator shaft causing serious injuries. Evidence supported finding employer violated the "general duties" provision of Kentucky's Occupational Safety and Health Act and evidence supported finding employer's safety violation was intentional, thus supporting enhanced award.

# Summary of FY 2012-2013 Published Kentucky Supreme Court Workers' Compensation Cases

## **UNINSURED EMPLOYERS' FUND V. MATTHEW STANFORD; et. al., 399 S.W.3d 26 (Ky. 2013)**

### **Subject: General and Special Employers; Employers of Lent Employees**

Summer youth work program operator was workers' compensation claimant's "general employer" for purposes of determining applicability of the "loaned employee doctrine," which permits sharing of liability for a claimant's injuries between general employer and special employer. Program operator determined claimant qualified to be a participant in work program and then hired him. Claimant agreed to abide by the terms of the program and work for a certain number of hours in exchange for an hourly wage and insurance benefits, and program operator then assigned claimant to work for work site owner.

Work site owner involved with summer youth work program was workers' compensation claimant's "special employer," such that "loaned employee doctrine," which permitted sharing of liability for a claimant's injuries between general employer, which was summer youth work program operator, and special employer, applied. Claimant, by choosing to volunteer with site owner and then continuing that service as an employee of summer youth work program, entered into a contract for hire with site owner. The work claimant performed as a cadet counselor while working with site owner was undoubtedly the work of that organization, and site owner also controlled virtually all of the details of the work claimant performed, including hours worked, types of activities performed and site of the work.

Sufficient evidence supported conclusion claimant, who was a summer youth work program cadet counselor, was acting within the scope of his employment when he was seriously and permanently injured in a fall from a zip line; record indicated cadet counselors would frequently participate in activities with cadets to encourage and motivate them. One of claimant's supervisors was present at time of accident and allowed another cadet counselor to ride down the zip line before claimant, and supervisor did not order either claimant or his co-counselor not to ride down the zip line.

## **KENTUCKY UNINSURED EMPLOYERS' FUND V. JULIAN HOSKINS. ET AL.**

**--- S.W.3d --- (Ky. 2013) WL 1777632, 2012-SC-000008-WC**

### **Subject: Carrier at Risk**

Private workers' compensation insurance provider that had issued policy to trucking company that never entered into employment contract with claimant was not the insurance carrier at risk for injuries sustained by claimant.

# Claims Processing & Appeals

The Division of Claims Processing and Appeals provides support to the Administrative Law Judges and the Workers' Compensation Board. The key responsibilities of this Division include timely processing of all Settlement Agreements and Applications for Resolution of Injury (Form 101), Occupational Disease (Form 102 and 102 CWP) and Hearing Loss (Form 103). Division staff also process all appeals to the Workers' Compensation Board. All processing in the Division must adhere to strict timelines.

Once the Applications for Resolution of claim are filed with the Department of Workers' Claims, the claims are prepared, sorted into regions based on the county of residence of the plaintiff and assigned to an Administrative Law Judge. When the claims are ready to be scheduled, it is this Division's responsibility to ensure that all parties are notified the claim has been assigned to an Administrative Law Judge and scheduled for a Benefit Review Conference.



# Claims Branch

The Division of Claims Processing and Appeals is not only the beginning point for these claims, but also for the many transactions that must occur on the claim's path to resolution, as well as the resting place of the resolved claims. The Division consists of the Claims Branch which includes four sections: Claims Review Section, Claims Assignment Section, Agreements Section and Appeals Section. Each of these sections serves a critical function in the life of a claim. The following includes section activity statistics for the fiscal year 2012-2013, accompanied by a brief narrative of each section's duties and responsibilities.

## **The Claims Review Section**

focuses on routing and the preparation involved in the processing of an Application for Resolution. This section reviews the claim for required elements, assembles the file, enters claim information such as parties and addresses into the Department's database, assigns a claim number and researches insurance coverage through the department's insurance database. In fiscal year 2012-2013, there were 4,364 new claims filed including 3,572



Applications for Resolution of Injury (Form 101), 398 Occupational Disease (Form 102, 102-CWP) and 394 Hearing Loss (Form 103). Of the 398 Occupational Disease Applications, 358 were coal workers' pneumoconiosis applications.

**The Claims Assignment Section** responsibilities begin with the assignment of new claims, older claims that have been reopened by order of the Chief Administrative Law Judge and medical disputes. Other duties include: routing motions on claims prior to assignment to an Administrative law Judge; scheduling court reporters and reserving hearing sites; serving as x-ray and exhibit custodians; and auditing resolved claims to confirm all information is contained in the electronic file before the physical file is purged. This fiscal year, 3,817 new and 558 reopened/motion docket claims were assigned to the Administrative law Judges and scheduled for a benefit review conference. The section audited and purged 4,270 physical files by the end of FY 2012-2013.

**The Agreement Section** processes and records all settlement agreements/Form 110s received by the Department. Pre-litigation agreements are reviewed by the Agreements staff for accuracy/completeness and approved by the Chief Administrative Law Judge if they meet the statutory/regulatory requirements. In FY 2012-2013, 3,338 of the 4,070 agreements received for approval by the Chief Administrative Law Judge were approved. The remaining deficient agreements were returned to the parties for corrections. In addition, this section processed and recorded 3,129 agreements from all other Administrative Law Judges.

Motions to substitute party (widow's benefits) are also handled by the Agreement's section. A total of 118 motions for widow benefits were received, processed and approved by the Chief Administrative Law Judge in this fiscal year.

**The Appeals Section** is the other major area of concentration within this division. The final awards, orders and decisions from the Administrative Law Judges appealed must pass through this section to verify timeliness of filings, completeness of records, indexing, scheduling and ensuring compliance with the Administrative Regulations - all in preparation for the Workers' Compensation Board's (WCB) review and judgement. Motions are tracked daily and a docket prepared weekly. In the event the decision of the WCB is appealed, section staff shall, upon request, ready and certify the files for review by the Court of Appeals and, in some cases, the Supreme Court.



The Appeals Section processed 331 appeals to the WCB this fiscal year. A total of 454 motions were submitted for the Board's consideration during weekly motion dockets. The WCB rendered 284 opinions with Chairman Michael Alvey authoring 124 opinions and Board Member Franklin Stivers authoring 102 opinions. Board Member Lawrence Smith authored 42 opinions prior to his untimely death in May 2013. A total of 340 cases were completed by the WCB during this fiscal year, either by opinion or final order.

Eighty-nine petitions for review were filed with the Kentucky Court of Appeals. During this fiscal year, 89 records were requested by the court. Appeals section staff prepared, indexed and transferred the requested records to the Court of Appeals, with 85 opinions and 6 final orders being issued. Additionally, there were 42 appeals to the Kentucky Supreme Court, with the court rendering 18 opinions and 4 final orders during the fiscal year.



# Information and Research

The duties of the Division of Information and Research include collection, storage and retrieval of data and the dissemination of information. The Division of Information and Research is organized into two branches, Records and Imaging. The Records Branch is primarily responsible for data entry, Electronic Data Interchange (EDI) Claims, EDI Proof of Coverage, publications, specific data extrapolation associated with open records requests, maintaining/updating the agency website and ensuring the validity and integrity of the DWC's databases. The duties of the Imaging Branch consist of imaging and verifying all hard copy documents as well as indexing them into the DWC's integrated information and optical image system. The Imaging Branch also responds to requests for claim and first report information as well as production of records in response to open records requests.





# Records Branch

**The Records Branch** is a fundamental part of the Department of Workers' Claims (DWC) and is divided into four sections: Data Entry, Electronic Data Interchange (EDI) Claims, EDI Proof of Coverage and the Research Section. These sections combine to ensure reliability, accuracy and integrity within the data that is submitted to the DWC.

**The Data Entry Section** receives and processes incoming mail, sorting and counting by document type. This section receives the majority of the documents filed with the Department. The section staff is charged with analyzing orders and opinions prepared by the Administrative Law Judges (ALJs) and pleadings filed by attorneys. The staff updates the database with numerous status codes to ensure the claim is in the proper disposition as these status codes are used by department personnel to ensure quality assistance to claimants, attorneys, employers and carriers. During this reporting period, the Data Entry Section received 96,730 pieces of mail, 30,996 orders and 1,732 awards from the ALJ's, as well as 2,739 docket orders. Each document received in the section receives personal attention to ensure data quality.

The DWC began a pilot program for the medical dispute process at the beginning of the 2013 calendar year. This program was created to expedite the processing of medical disputes being filed on reopenings or prior to the litigation process. The Data Entry Section has the responsibility to process documents for this new pilot program. During this reporting period, the Data Entry Section received 4,288 assignment letters, orders, opinions or agreements for the medical dispute pilot program.

**The Electronic Data Interchange (EDI) Claims** system is used by carriers and self-insured employers to report data electronically. The information transferred via EDI is monitored by the **EDI Section**. The Kentucky DWC utilizes the IAIABC standard, EDI Claims Release 3.0. EDI information is used for tracking purposes and as system triggers for the issuance of statute of limitations letters based on the date of injury, last receipt of temporary total disability benefits or date of death, whichever is pertinent per transmission. Information compiled by this section is utilized by the department as the claim progresses throughout the adjudication process. During this fiscal year, the EDI Section received \*42,788 first reports through the EDI system. EDI numbers include 00s (Original), 04s (Denials) and AUs (Acquired) prior to manual rejections (for inaccurately reported information such as 'unknown').



\*This reflects section activity, not database statistics.

**The Proof of Coverage (POC) Section** of the Department of Workers' Claims is charged with receiving and maintaining workers' compensation coverage filings for employers doing business in the state of Kentucky. DWC currently has just over 75,000 open workers' compensation policies in our system. Section staff also maintain historical policy information for over 50 years. This section receives almost 500,000 POC transactions per year. The database is used by employers, employees, attorneys, the claims and enforcement section of the DWC and numerous other state and federal agencies. Our overall goal is to maintain a database that reflects correct workers' compensation information that can be utilized by the various individuals and organizations that rely on this data. This is achieved by daily monitoring of incoming transactions as well as daily "clean up" of erroneous files in the database. Section staff work with insurance carriers and several other organizations on data transmission. As part of our goal of continual improvement, the automated processing system will be undergoing program changes. The changes are intended to help curb erroneous duplication and other errors that require manual intervention. Methods and tools used to correct these errors will also be streamlined to cut down on the time needed to manually correct these problems. At present, this section operates with a staff of 2 employees and maintains an average acceptance rate of around 90%. The POC section continues to strive to not only maintain a small workforce, but also improve the integrity of the workers' compensation database. A new procedure has recently been implemented to track late coverage reporting. This procedure allows the commissioner to issue fines to carriers that do not comply with KRS 342.340 which states that proof of workers' compensation coverage must be filed within 10 days after issuance of policy.



**The Research Section** collects, reviews and compares information pertinent to workers' compensation and the Kentucky Department of Workers' Claims. Specialized queries are developed to extract data from the Department's database system.



The Department of Workers' Claims Annual Report, the Link (Quarterly Activity Report) and the Workers' Compensation Guidebook are a few examples of the publications designed and developed by the Research staff. All of the current publications are being printed in black and white and bound in-house on an as-needed basis in an effort to be cost efficient. The agency publications are essential in providing constituents and the general public with the knowledge necessary to understand and utilize the workers' compensation system.

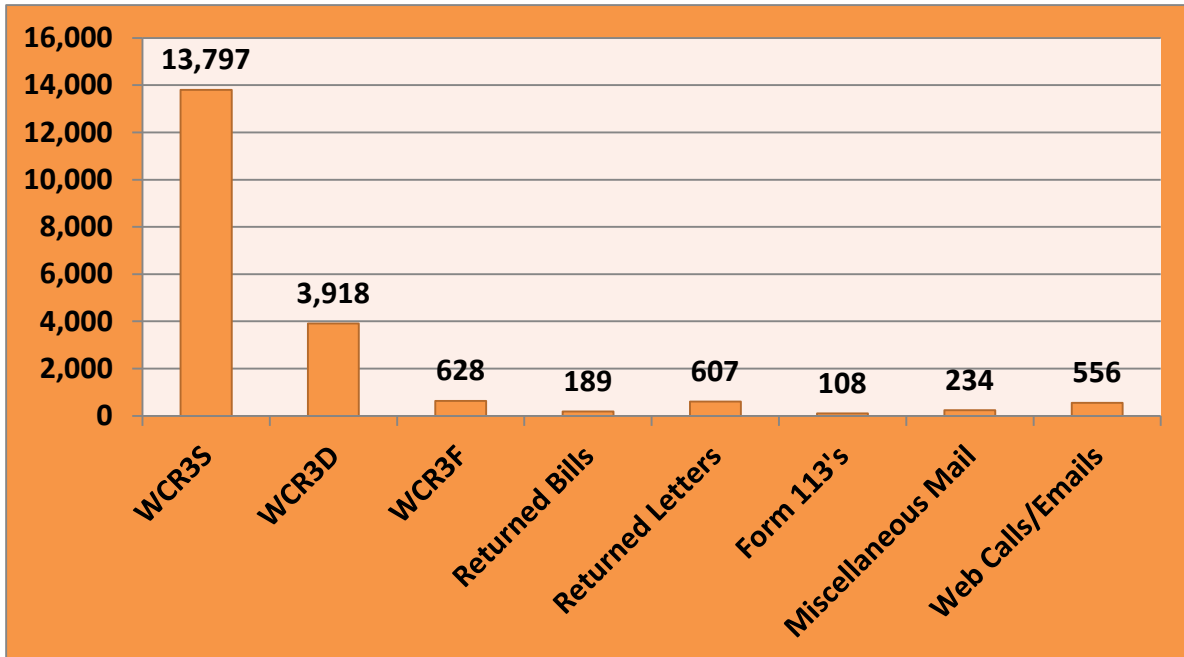
Statistical information is requested from a variety of sources such as governmental entities, health care representatives, attorneys, the media, legislators and private individuals. Data gathered by the research staff is used for assisting in filing a claim, preparation of safety/training programs and updating state and national data banks.

The Research Section maintains and manages the agency web site. Research staff serve as webmaster for inquiries from the web site and provide the requestor with information, answers to their questions or forwards the request to appropriate personnel for response. Section staff also create PowerPoint presentations for DWC personnel for conferences, speeches and seminars.

The Research Section continues to focus on insurance carrier performance. Reports are generated on timely filing of first reports, initial payment of benefits and termination of benefits. In addition, Bimonthly MTC Reports and Under Investigation MTCs are also being scrutinized.

During this time period, the Research staff processed statute letters (WC letters) and returned mail. WC letters are sent out for a variety of reasons: benefits terminated, untimely filing, denials and fatality letters. The mail totals for this fiscal year are outlined in the following chart.

## Distribution of Mail - Research Section



WCR3S-Suspension of benefits  
WCR3D-Denials  
WCR3F-Fatality

# The Imaging Branch

The Imaging Branch is comprised of two sections, Scanning and Open Records. It is the responsibility of this branch to input, maintain and disseminate claim litigation information for reference and adjudication by agency staff as well as constituents of the Commonwealth.

**The Scanning Section** is responsible for scanning and indexing all hard-copy claims and first report documentation into the agency's Filenet Imaging System, the Department of Workers' Claims storage medium. The documents are then verified for correctness via Filenet's Query and Retrieval (Q&R) application. The Q&R application is utilized throughout the agency and functions as a source of reference and method of reproduction. This fiscal year, 228,583 documents equaling 1,876,961 pages were scanned. Micrographics equipment is located within the branch offices and is available for use by agency staff as well as the general public by appointment. The number of microfilm pages printed from these machines during this fiscal year totaled 106,614.

The Imaging Branch Manager is currently responsible for maintaining the agency's records retention and destruction policy in accordance with the Kentucky Department for Library and Archives retention schedule.

**DIGITIZATION CONTINUES** – The Kentucky Department of Workers' Claims through the technology of the Kentucky Department of Libraries and Archives, (KDLA) continues the laborious process of digitizing the 16,000 rolls of microfilm housed on site and located within the agency's Imaging Branch. This fiscal year 577 rolls of microfilm were digitized and, with limited staff, are being indexed into the agency's Filenet Imaging System at a slow but steady pace. The rolls of film contain invaluable historic information used as supporting evidence for litigation and insurance processes. When the project comes to full fruition, DWC staff will be able to access and previously microfilmed information directly from the Filenet Imaging System installed on their desktop computer.

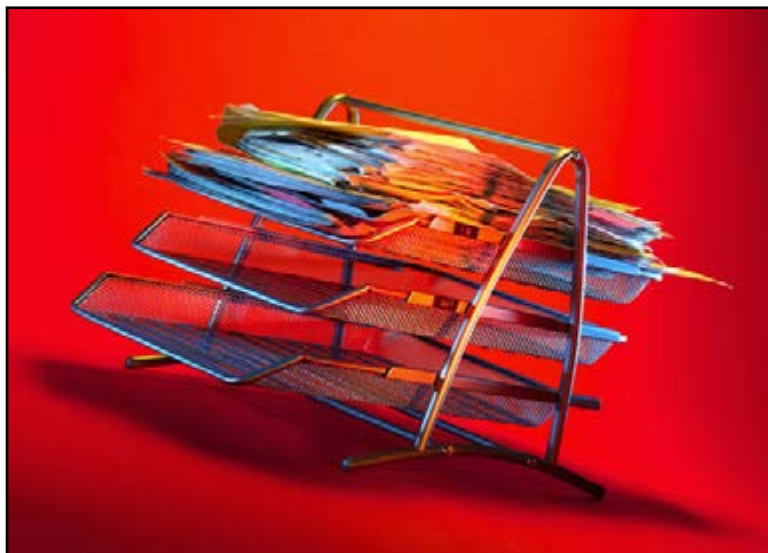




**The Open Records Section** responds to requests for claim and first report information pursuant to KRS 61.872(2). Sources of requests include attorneys, insurance carriers, employers and federal and state agencies.

As a service to prospective employers, the Open Records Section provides, upon request, work history reports. These reports provide brief details concerning any injuries that potential employees have sustained subsequent to 1982. This service in years past was provided free of charge. For fiscal 2012-2013 this process has been revised and now requires pre-payment in the amount of \$2.00 for each report requested. In fiscal year 2012-2013, the number of pre-employment requests totaled 10,358.

Beginning December 2012, The Department of Workers' Claims implemented an on-line service that is available 24/7 to electronically receive, fulfill and remit payment in the form of credit card or ACH Debit for Open Records Requests. The DWC is excited to extend this process to more expeditiously and more cost effectively provide service to the constituents of the Commonwealth. Requests will be processed manually for those not wishing to utilize the automated system. Updated fees still apply with the exception of those for processing. The updated fees associated with our on-line process are now \$.15 per page for documents readily available through our Filenet Imaging System and \$.75 per page for materials retrieved from microfilm. Additional fees attached to this service include processing fees of \$2.50 for imaged files, \$5.00 processing fee for microfilmed files and \$5.00 for certification. For fiscal year 2012-2013, Open Records processed 9,663 written requests and received \$145,549.27 for requested materials. During this same time period, Open Records processed 1,632 on-line requests and received \$19,375.17.





# Security & Compliance

The focus the Division of Security and Compliance is to assure that workers' compensation benefits are available to employees in Kentucky by ensuring employers have obtained and maintained the required insurance coverage or have met their duties as employers authorized to self-insure their compensation liabilities. The Division is comprised of two branches, the **Security Branch** and the **Compliance Branch**.



## Security Branch

Currently there are 120 Kentucky employers that are self-insured and approximately 330 companies that were self-insured in the past. The Security Branch regulates individual self-insured employers by examining financial statements, claim data and monitoring overall financial status of current and former self-insured employers. As part of this process this fiscal year, branch staff reviewed 125 financial statements. The examinations also include an assessment of the adequacy of claim reserves and reserving practices. The Branch gathers data, provides analysis and, when requested, provides recommendations to the Commissioner regarding the amount of, and acceptability of, the security an employer is required to deposit in order to assure payment of workers' compensation benefits. The branch also uses this data to establish simulated premium assessments pursuant to 803 KAR 25:021. The DWC currently maintains \$1.3 billion in security to assure payment of workers compensation benefits.

In order to have adequate surety, the loss data submitted must report adequate reserves. A reserve is the amount left to be paid on a given injury. There are basically two types of reserves, indemnity (reimbursement for lost wages) and medical. The branch conducts reviews on the loss data to ensure that self-insurers are reporting adequate reserves based on known information. This fiscal year, 41 such reviews were conducted.

Companies that have left self-insurance status may request a reduction in the amount of surety the branch is holding after a period of time has passed since they left self-insurance status. The branch will request updated loss data and audited financial statements. The Security Branch then conducts a review to determine what will be an adequate amount of surety to pay for any future workers' compensation liabilities. During this fiscal year, 26 such reviews were conducted for former self-insured companies.



When a self-insured employer fails to meet its obligations, the branch calls the security deposited by the employer and represents the Department in any legal action required to obtain the security proceeds. The branch also represents the DWC when a self-insured employer is aggrieved by an action of the Commissioner, including the Commissioner's determination of the amount of security required to be deposited to assure payment of workers' compensation benefits.

# Compliance Branch

The Compliance Branch has two sections, the **Administrative Processing Section** and the **Enforcement Section**. This Branch makes on-site visits to Kentucky employers to determine whether the employers have obtained and maintained the required workers' compensation insurance. This Branch also aims to educate and encourage compliance with the Workers' Compensation Act. This Branch also certifies that coverage is in effect, registers Professional Employer Organizations, processes mining and mining-related coverage, accepts Employee Notice of Rejection of Workers' Compensation Act forms and processes split coverage filings.

**The Administrative Processing Section** provides general support services to the Branch with the specific duties of: (1) Issuing certifications of coverage; (2) Registering Professional Employer

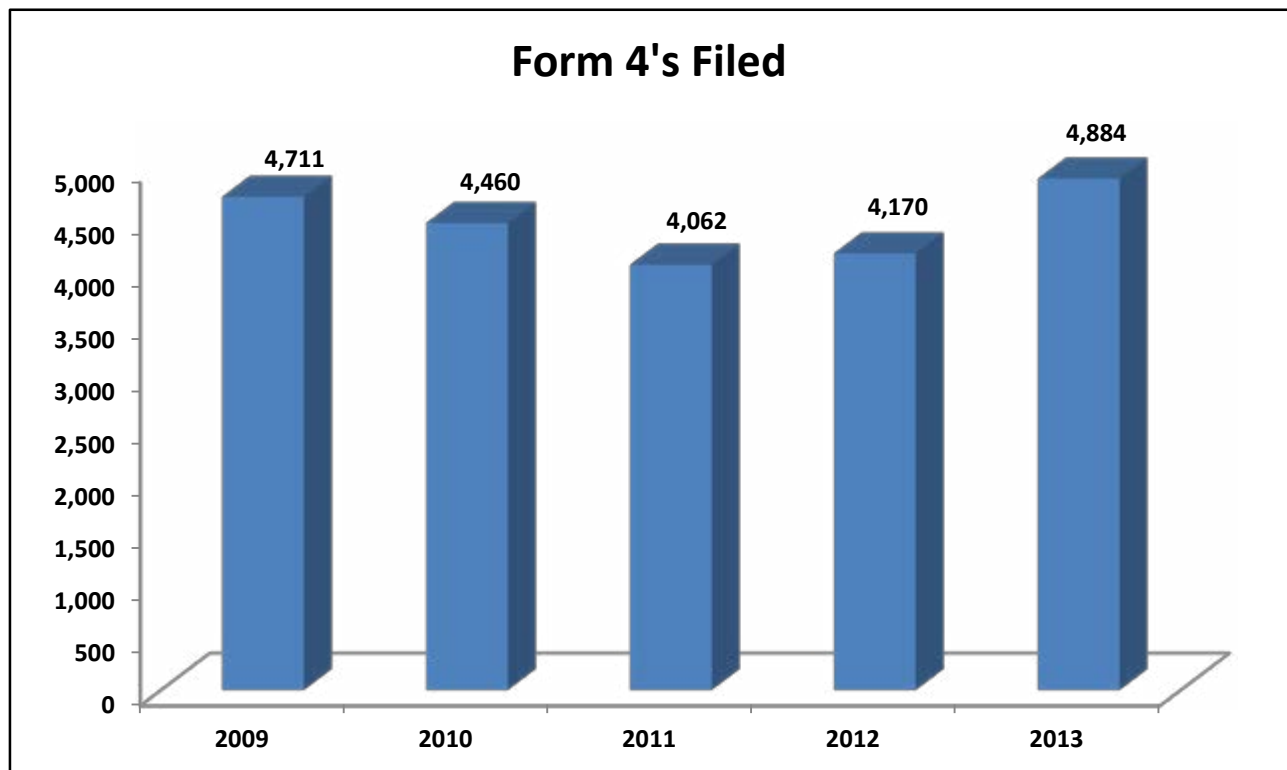


Organizations (PEOs); (3) Processing mining and mine-related coverage; (4) Filing Employee Notice of Rejection of the Workers' Compensation Act; and (5) Processing "Split Coverage/Wrap-up's" filings for employers with Owner or Contractor controlled Insurance Programs ("OCIPs" or "CCIPs"). Kentucky statutes require that every policy cover the entire liability of the employer - KRS 342.375. The statute permits the Commissioner to authorize a separate policy for specific locations – these are commonly called Split Coverage/Wrap-ups/OCIPs or CCIPs depending on how they are structured.

During this fiscal year, section staff issued 207 "official" certifications of coverage to Administrative Law Judges, private attorneys and for open record requests. It also prepared 516 certifications of coal-mining risks and a daily notice of cancellations to the Kentucky Office of Mine Safety and Licensing. There were a total of 4,109 coal coverage transactions submitted with 3,334 manually processed and accepted.

Files on 389 currently registered Professional Employer Organizations (PEOs) are maintained by the section. Of those, 140 are active PEOs with 1,050 Kentucky clients. Section staff received 3,607 PEO coverage transactions during the fiscal year accepting 3,442 for filing. They also received 764 additional coverage transactions involving multiple coverage locations for Split Coverage/Wrap-ups/OCIPs or CCIPs; of those 760 were accepted for filing.

The section maintains and files the Employee's Written Notice of Rejection of the Workers' Compensation Act (Form 4) that are properly submitted to the agency. Filing a properly completed and notarized Form 4 permits an employee to waive the right to protection under the Kentucky Workers' Compensation Act. While it is permitted, the DWC recommends that the person carefully weigh options and consequences before voluntarily rejecting workers' compensation benefits. In fiscal year 2012-2013, the branch received and processed 4,884 Form 4s. The chart on the following page shows the number of employees rejecting coverage for FY 2013 and for each of the past five years.



Form 4-Rejection of Coverage under the Workers' Compensation Act.



**The Enforcement Section's** primary function is to ensure employers subject to the Workers' Compensation Act comply. This is achieved, primarily, through the investigation efforts of its 10 enforcement officers and section supervisor. Those officers investigate leads generated by the Administrative Processing Section and conduct random on-site inspections of businesses. Officers also respond to referrals submitted by telephone and on-line through the DWC Web site. Referrals from the Attorney General's Office Uninsured Employer Fund (UEF) are investigated for compliance when injury claims are filed. The branch also encourages timely compliance through educational initiatives.

Enforcement officers cover each of Kentucky's 120 counties from field offices located throughout the state. Officers record every investigative contact onto a mobile tablet computer and electronically transmit the reports to the Frankfort office. Non-compliant employers are subject to citation and civil penalty by the Commissioner. Investigations, citations and penalties are logged and monitored through our legal tracking database by Administrative Processing Section staff. All penalties are forwarded to the Kentucky Workers' Compensation Funding Commission (KWCFC) in accordance with the statute. The collected penalties are held for employees of self-insured employers injured before Guaranty funds were established and the security funds are insufficient.

During this fiscal year, the branch's enforcement officers conducted 9,842 on-site investigations of Kentucky businesses. As a result, the Commissioner issued 848 citations to non-complying employers for failure to maintain Kentucky workers' compensation insurance. The branch processed \$1,079,945.42 in penalties. This includes penalties paid in full and collections received from contested citations by our Legal Division. For comparative purposes, the following chart illustrates the number of investigations and citations issued to non-complying employers during the previous six years.

### Investigation Analysis For Fiscal Years

|                          | FY 2008   | FY 2009   | FY2010    | FY2011    | FY2012    | FY2013    |
|--------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| Number of Investigations | 10,415    | 10,798    | 11,400    | 10,497    | 9,574     | 9,842     |
| Number of Citations      | 966       | 979       | 1,015     | 958       | 772       | 848       |
| Penalties Collected      | 1,061,323 | 1,533,629 | 1,703,578 | 1,777,307 | 1,360,663 | 1,079,945 |

\*This includes penalties paid in full to Compliance and settlements collected by DWC Legal Division for processing and forwarding to KWCFC.



# Division of Ombudsman & Workers' Compensation Specialist Services



This Division consists of the Specialist, Medical and Rehabilitation Sections and the Drug-Free Workplace Program. The Specialists Division provides a centralized source of information and assistance.

**The Specialist Section** assists in the prompt delivery of benefits. This is accomplished by facilitating communication and exchanging information between the injured worker, claims adjusters, employers and medical providers. This division also maintains a toll free telephone number (1-800-554-8601) and information can be found on the web site at [www.labor.ky.gov/workersclaims](http://www.labor.ky.gov/workersclaims).

**The Medical Service Branch's** primary focus is on cost containment. This branch oversees the approval of utilization review, medical bill audits and managed care plans; maintains the hospital and physicians medical fee schedules; and schedules university evaluations.

**The Vocational Rehabilitation Services Section** includes retraining and job placement opportunities for the injured workers.

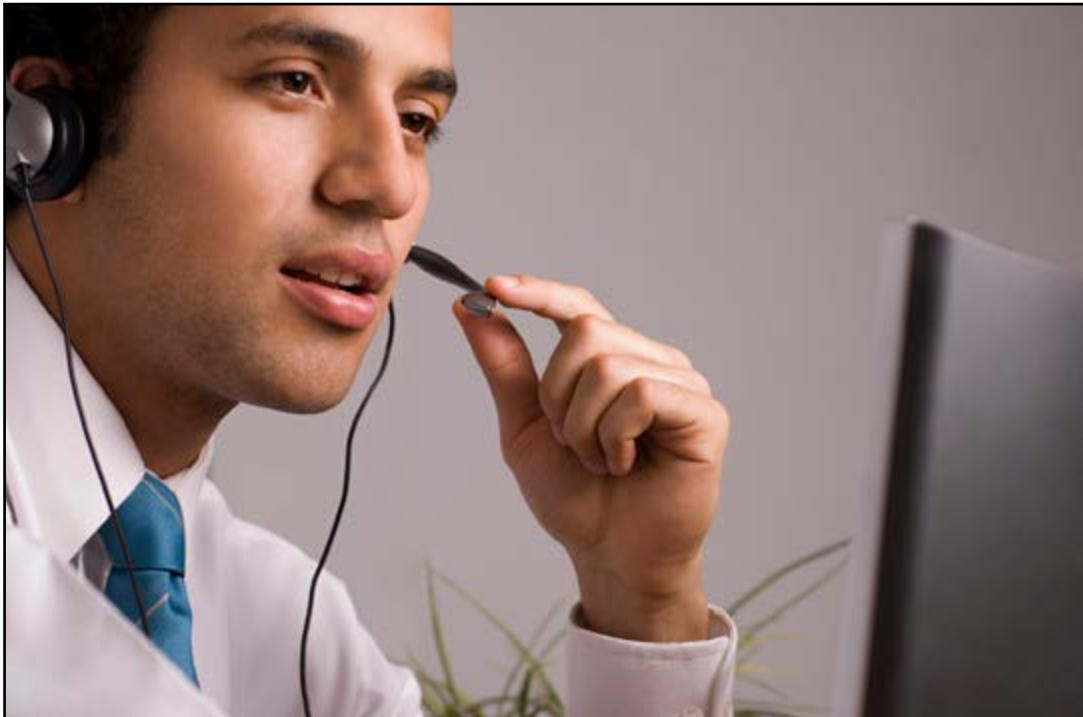
**The Drug-Free Workplace Program** is a voluntary program that affords employers the opportunity to promote a drug free workplace for their employees. This program requires employers to implement a drug free workplace plan, complete the application and become certified by the Commissioner. Once the employer completes this process satisfactorily, they may be eligible for a 5% discount on their workers' compensation insurance premium.

## **Ombudsman and Workers' Compensation Specialist Branch**

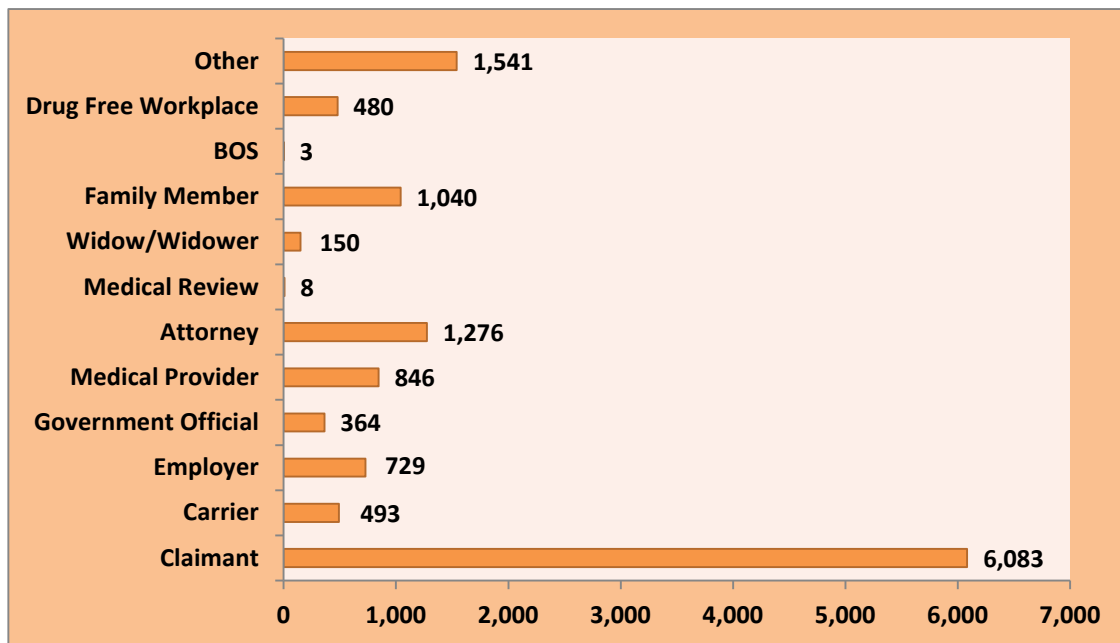
Established in 1994, the Ombudsman and Workers' Compensation Specialist Branch is now in its nineteenth year of operation. The Branch currently employs seven workers' compensation specialists throughout the state – six in Frankfort and one in a branch office in Pikeville.

Toll-free telephone assistance is available to callers on all workers' compensation topics of interest to the public, including how to report or file a claim, dispute resolution, benefit information, rights and procedures and other related issues. This branch also responds to constituent services requests from lawmakers and attorneys.

The primary daily activity of the workers' compensation specialists is to assist in the prompt delivery of benefits. This is done by facilitating communication and exchange of information between the injured worker and claims adjusters, employers and medical providers. Care is taken to remain impartial in dealings with all parties.



As demonstrated in the graph below, the specialists received 13,013 requests for assistance during the 2012-2013 fiscal year. They intervened in 792 cases and assisted in completing forms for 55 callers.



## Breakdown of Assistance

The table below outlines the subject matter of these requests. The category represented by 'Other' includes such things as the attorney of record, current mileage rate, carrier/insurance agent and questions of a general nature.

| Topic                         | Number of Calls |
|-------------------------------|-----------------|
| Rights and Procedures         | 5,476           |
| Claims Status Request         | 2,157           |
| Coverage                      | 233             |
| Other                         | 4,019           |
| Form Request                  | 634             |
| Referrals to Outside Agencies | 450             |
| First Report of Injury        | 37              |
| Medical Fee Schedule          | 64              |
| Claim Filing Assistance       | 55              |
| Medical Fee Dispute           | 85              |
| Utilization Review            | 21              |
| Fraud                         | 21              |
| Managed Care                  | 13              |
| Rehabilitation                | 68              |

## **Drug-Free Workplace**

803 KAR 25:280 sets forth the requirements for employers to obtain a certification of a drug-free workplace. These requirements include alcohol and substance abuse education and awareness training for employees and supervisors. All employees shall receive written material explaining the employer's policies and procedures with respect to the drug-free workplace program. All records of drug and alcohol test results written or otherwise received by the employer shall be confidential and shall not be disclosed by the employer.

The employer must implement drug testing, education/training and an employee assistance program (EAP). If the application is approved, the employer may be eligible for a 5% discount on its workers' compensation premium. The Department of Workers' Claims certified 16 new drug-free workplace programs this year and renewed 198 plans.

## **Medical Services Branch**

Cost containment and the administration of medically related services are the primary activities of this branch which encompasses the hospital and physician medical fees; managed care, utilization review and medical bill audit plans; and university evaluations.

## **Fee Schedules**

The allowable fees charged by a physician or hospital are governed by statutory and regulatory requirements.

The physician fee schedule was updated and became effective on March 4, 2011. The fee schedule utilizes updated coding, procedure description updates, revised reimbursement values and ground rules. The 2013 edition of the fee schedule is being developed and will become effective in early 2014.

The hospital fee schedule (cost-to-charge ratio) governs the reimbursement for hospital charges in workers' compensation claims and these ratios are modified April 1st of each year. Calculations are determined by using applicable figures taken from each facility's cost report (HCFA-2552) on file with the Cabinet for Health and Family Services. The Department of Workers' Claims promulgated the cost-to-charge for 113 in-state and 210 out-of-state hospitals in FY 12-13. Out of state facilities, by regulation, are reimbursed in the same manner as Kentucky hospitals.

The managed care, utilization review and medical bill audit plans are required to be certified by the DWC. These processes are in place in an effort to provide quality medical care that is necessary and appropriate at an affordable price.

## Managed Care Section

The Managed Care Section is responsible for overseeing the approval of and operations of Managed Care Programs (MCPs) in Kentucky. During fiscal year 2012-2013, there were 35 approved managed care programs in operation.

Workers' compensation managed care is intended to enable employers to better regulate costs while also providing high quality medical care by utilizing gatekeeper and specialist physicians, permitting pre-certification of services, maintaining aggressive case management and ensuring coordination of medical treatment.

Approximately 39% of Kentucky's workforce subject to the provision of the Workers' Compensation Act, participated in workers' compensation MCPs this year. The 35 MCPs that were operational covered approximately 5,011 employers and 744,196 employees.

### Managed Care Plans

| <b>Fiscal Year</b> | <b>Number of Kentucky Jobs</b> | <b>Covered Lives</b> | <b>Percent in MCP</b> |
|--------------------|--------------------------------|----------------------|-----------------------|
| 1997-1998          | 1,753,400                      | 721,964              | 41%                   |
| 1998-1999          | 1,795,800                      | 681,213              | 38%                   |
| 1999-2000          | 1,824,500                      | 542,764              | 30%                   |
| 2000-2001          | 1,804,700                      | 600,522              | 33%                   |
| 2001-2002          | 1,786,100                      | 531,731              | 30%                   |
| 2002-2003          | 1,782,900                      | 499,038              | 28%                   |
| 2003-2004          | 1,898,952                      | 647,318              | 34%                   |
| 2004-2005          | 1,878,341                      | 783,077              | 42%                   |
| 2005-2006          | 1,922,163                      | 699,266              | 36%                   |
| 2006-2007          | 1,944,983                      | 700,194              | 36%                   |
| 2007-2008          | 1,902,517                      | 808,375              | 42%                   |
| 2008-2009          | 1,878,891                      | 812,226              | 43%                   |
| 2009-2010          | 1,862,872                      | 662,560              | 36%                   |
| 2010-2011          | 1,769,800                      | 774,068              | 44%                   |
| 2011-2012          | 1,870,546                      | 727,305              | 39%                   |
| 2012-2013          | 1,903,880                      | 744,196              | 39%                   |



## Utilization Review/Medical Bill Audit

Utilization Review/Medical Bill Audit is governed by 803 KAR 25:190 and is a review of the medical necessity and appropriateness of medical treatment and services. It was implemented as a cost-containment measure and for managing quality assurances in the delivery of medical services to injured workers.

Workers' compensation claims are automatically selected for utilization review when they meet the following criteria:

- Upon a medical provider's request for pre-authorization
- Upon notification of a surgical procedure
- When total medical costs exceed \$3,000
- When total lost work days exceed 30 days
- An Administrative Law Judge orders a review

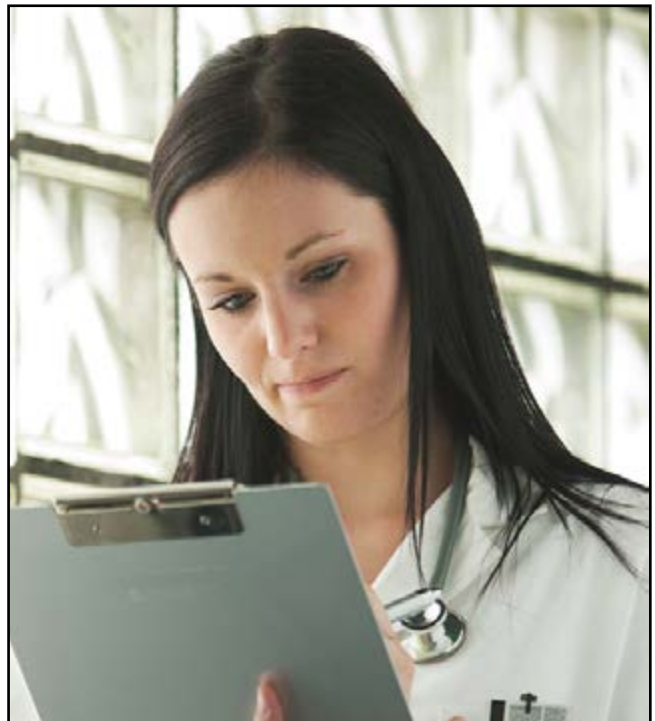
During the 2012-2013 fiscal year, the Department of Workers' Claims certified 60 Utilization Review/Medical Bill Audit Plans.

## University Evaluations

Per statutes and regulations, the DWC has contracted with the University of Louisville and the University of Kentucky medical schools to perform hearing loss and occupational disease evaluations. The physicians also provide the Administrative Law Judge (ALJ) with assistance as needed to resolve medical issues.

During the 2012-2013 fiscal year, there were a total of 611 claims that were referred for university evaluations. Of those, 379 were scheduled at the University of Kentucky and 232 at the University of Louisville. Timely scheduling of university evaluations by the universities and preparing and sending reports are elements that are critical to the success of the program.

Occupational disease and hearing loss claims are referred for evaluations upon the filing of a claim for benefits. In injury claims, an Administrative Law Judge may order evaluations on their own or upon request of a party.



## Evaluations Scheduled from 7/1/2012 - 6/30/2013

|                     | <u>University of Kentucky</u> | <u>University of Louisville</u> | <u>TOTAL</u> |
|---------------------|-------------------------------|---------------------------------|--------------|
| Injury Claims       | 11                            | 22                              | 33           |
| Hearing Loss Claims | 279                           | 119                             | 398          |
| Pulmonary Claims    | 89                            | 91                              | 180          |
| Total               | 379                           | 232                             | 611          |

Due to two recent Supreme Court decisions, coal worker pneumoconiosis cases are no longer to be referred to B-reader panelists. These claims are being referred for University Evaluations in the same manner as all other occupational disease claims.

### Vocational Rehabilitation Section

KRS 342.710 permits retraining benefits for those who are unable to perform work for which they have previous training or experience due to the effects of the work-related injury. Most often, injured employees are referred to this office by an Administrative Law Judge for a referral to a vocational evaluation facility. Evaluations are scheduled to determine aptitude, educational level and employment interest. Once the evaluation is complete, our office provides the test results to all parties and offers assistance to the injured worker by providing information on educational opportunities. Our office will also intervene with the carrier to determine if they will voluntarily pay for the retraining. Most injured workers complete the evaluation but do not request or complete the retraining process.

In FY 2012-2013, the Vocational Rehabilitation Section opened 70 new cases. Of these, 66 were ordered by an Administrative Law Judge. Two claimants were in training during this time period.

Injured workers seeking vocational rehabilitation may be referred for a vocational evaluation and can be tested in one of 13 authorized vocational evaluation facilities located throughout the state.

## Publications

These publications may be accessed through the agency Web site at <http://www.labor.ky.gov/workersclaims> or by calling the Department of Workers' Claims at 800-554-8601.



**Why not change your direction?**

There are many avenues open to coal miners who are ready to leave the mines. If you have been awarded retraining incentive benefits there are numerous training/education routes available. you may even receive income benefits while you continue your education, plus possible bonuses upon completion. If you are ready to strike out in a new direction you should...

**Explore new opportunities!**

Call the Department of Workers' Claims at 1-800-554-8601

**Classes are available across the state!**

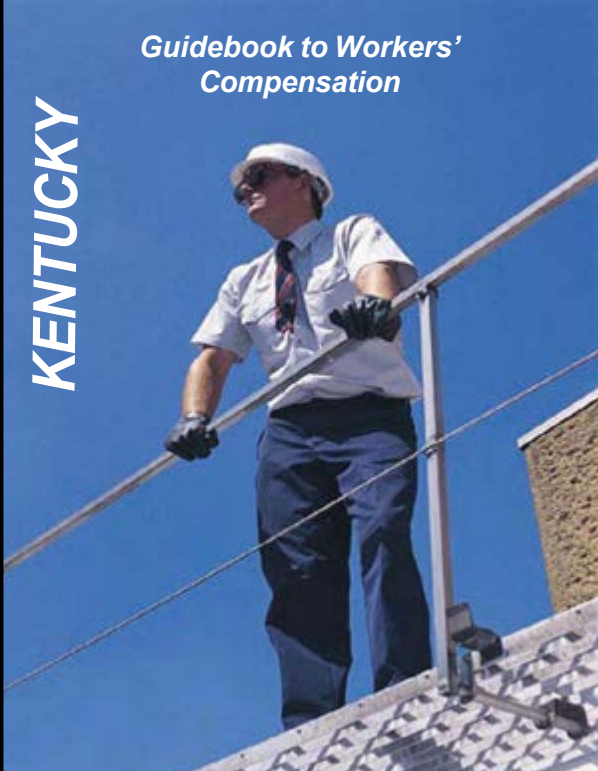
For more information on post secondary educational programs in your area contact:

|   |  |
|---|--|
| Kentucky Higher Education<br>Assistance Authority<br>1-800-928-8926<br><a href="http://www.kheaa.org">www.kheaa.org</a> | Kentucky Community and<br>Technical College System<br>1-877-528-2748<br><a href="http://www.kctcs.net">www.kctcs.net</a> |
|---|--|

Under this program, you can qualify for up to 17 weeks of GED or other remedial training if needed prior to the post secondary training. For more information on GED and other adult education programs at a location close to you contact:

|   |   |
|---|---|
| Kentucky School Boards<br>Association<br>1-800-372-2962<br><a href="http://www.ksbba.org">www.ksbba.org</a> | Kentucky Department for<br>Adult Education and Literacy<br>1-800-928-7323<br><a href="http://www.kyae.ky.gov">www.kyae.ky.gov</a> |
|---|---|

### Coal Workers' Pneumoconiosis Poster

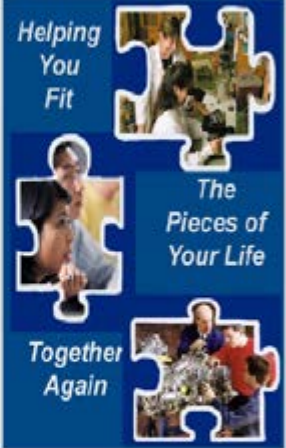


**KENTUCKY**

*Guidebook to Workers'  
Compensation*

### Workers' Compensation Guidebook

Kentucky  
Department of  
Workers' Claims



**Helping You Fit**

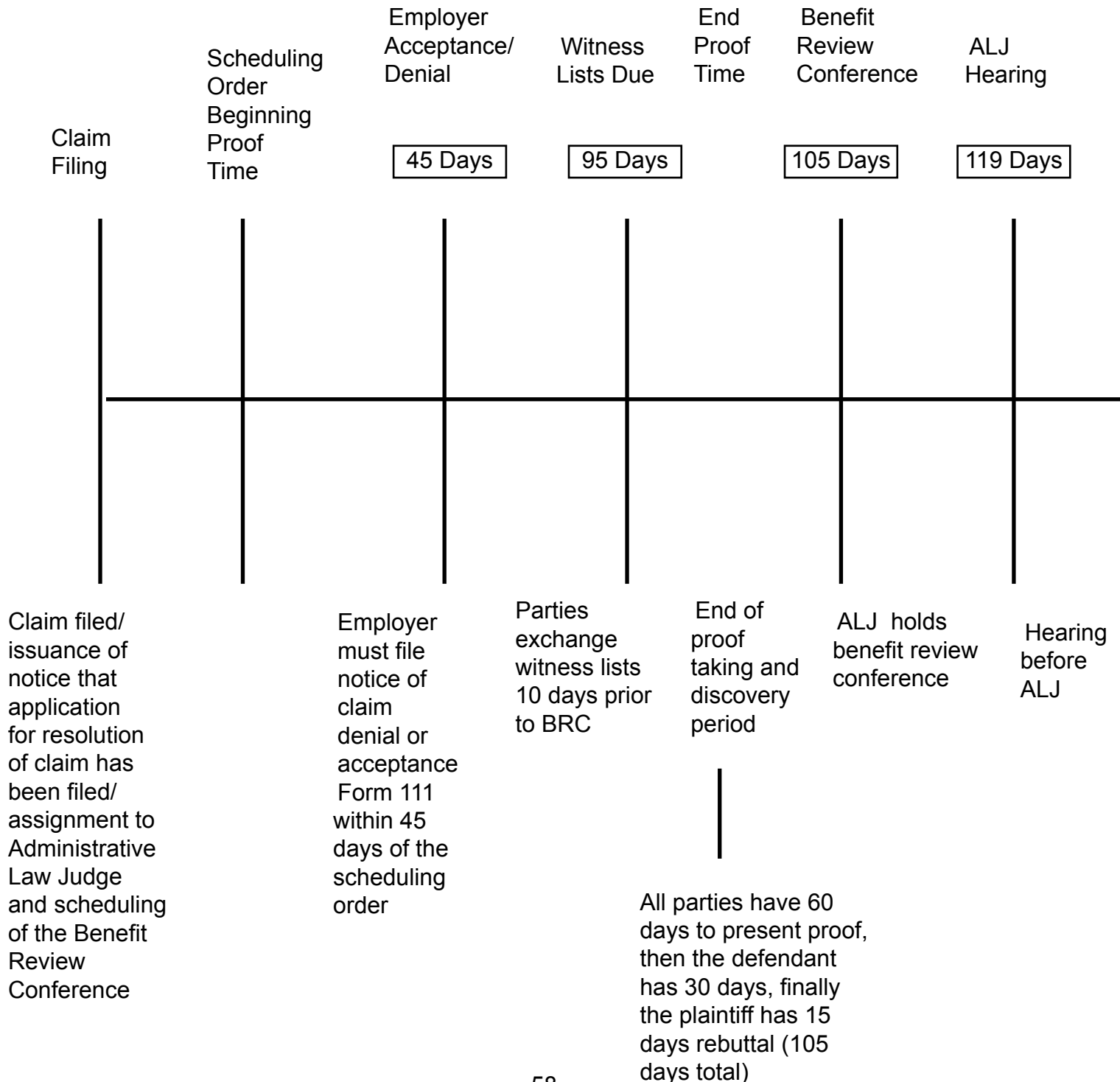
**The Pieces of Your Life**

**Together Again**

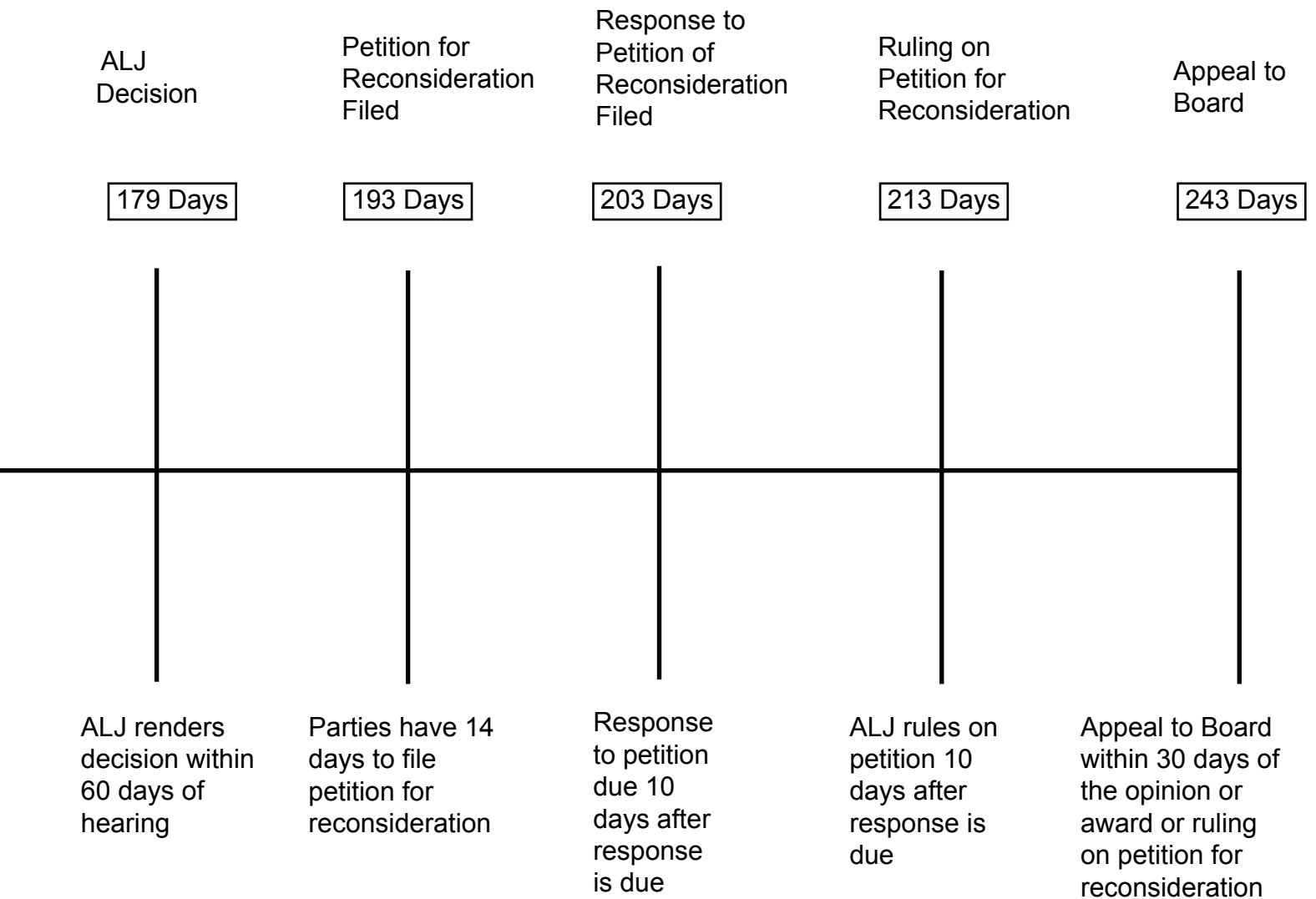
**An Injured Worker's  
Guide to  
Vocational Rehabilitation**

### Vocational Rehabilitation Brochure

# Kentucky Workers' Adjudication



# Compensation Timeline





# SCHEDULE OF WEEKLY WORKERS' COMPENSATION BENEFITS

## TYPE OF DISABILITY SECTION OF STATUTE

## FOR INJURIES OCCURRING

|  | 01-01-09<br>thru<br>12-31-09 | 01-01-10<br>thru<br>12-31-10 | 01-01-11<br>thru<br>12-31-11 | 01-01-12<br>thru<br>12-31-12 | 01-01-13<br>thru<br>12-31-13 | 01-01-14<br>thru<br>12-31-14 |
|--|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| <b>APPLICABLE AVERAGE<br/>WEEKLY WAGE OF THE<br/>STATE</b> | <b>\$694.30<br/>(2007)</b>   | <b>\$711.79<br/>(2008)</b>   | <b>\$721.97<br/>(2009)</b>   | <b>\$736.19<br/>(2010)</b>   | <b>\$752.69<br/>(2011)</b>   | <b>\$769.06<br/>(2012)</b>   |

### DEATH (KRS 342.750)

- a. Widow or widower with no children-50% of average weekly wage of deceased-subject to the following:

|                |          |          |          |          |          |          |
|----------------|----------|----------|----------|----------|----------|----------|
| <b>MAXIMUM</b> | \$347.16 | \$355.91 | \$361.00 | \$368.11 | \$376.36 | \$384.55 |
| <b>MINIMUM</b> | 138.86   | 142.36   | 144.40   | 147.24   | 150.54   | 153.81   |

- b. Widow or widower with children living in the home-45% of average weekly wage of deceased, plus 15% for each child-subject to the following:

|                |          |          |          |          |          |          |
|----------------|----------|----------|----------|----------|----------|----------|
| <b>MAXIMUM</b> | \$520.72 | \$533.84 | \$541.47 | \$552.13 | \$564.52 | \$576.80 |
| <b>MINIMUM</b> | 138.86   | 142.36   | 144.40   | 147.24   | 150.54   | 153.81   |

- c. Widow or widower with children **not** living in home-40% of average weekly wage of deceased, plus 15% for each child-subject to the following:

|                |          |          |          |          |          |          |
|----------------|----------|----------|----------|----------|----------|----------|
| <b>MAXIMUM</b> | \$520.72 | \$533.84 | \$541.47 | \$552.13 | \$564.52 | \$575.80 |
| <b>MINIMUM</b> | 138.86   | 142.36   | 144.40   | 147.24   | 150.54   | 153.81   |

- d. One child, **no** widow or widower-50% of average weekly wage of deceased-subject to the following:

|                |          |          |          |          |          |          |
|----------------|----------|----------|----------|----------|----------|----------|
| <b>MAXIMUM</b> | \$347.16 | \$355.91 | \$361.00 | \$368.11 | \$376.36 | \$384.55 |
| <b>MINIMUM</b> | 138.86   | 142.36   | 144.40   | 147.24   | 150.54   | 153.81   |

- d(1) More than one child, **no** widow or widower-50% of average weekly wage of deceased for the first child with an additional 15% of average weekly wage of deceased for each additional child-subject to the following:

|                |          |          |          |          |          |          |
|----------------|----------|----------|----------|----------|----------|----------|
| <b>MAXIMUM</b> | \$520.72 | \$533.84 | \$541.47 | \$552.13 | \$564.52 | \$576.80 |
| <b>MINIMUM</b> | 138.86   | 142.36   | 144.40   | 147.24   | 150.54   | 153.81   |

- e. Dependent parents-25% of average weekly wage of deceased to each parent-subject to the following:

|                |          |          |          |          |          |          |
|----------------|----------|----------|----------|----------|----------|----------|
| <b>MAXIMUM</b> | \$520.72 | \$533.84 | \$541.47 | \$552.13 | \$564.52 | \$576.80 |
| <b>MINIMUM</b> | 138.86   | 142.36   | 144.40   | 147.24   | 150.54   | 153.81   |

- f. Dependent brothers, sisters, grandparents and grandchildren-25% of average weekly wage of deceased to each dependent-subject to the following:

|                |          |          |          |          |          |          |
|----------------|----------|----------|----------|----------|----------|----------|
| <b>MAXIMUM</b> | \$520.72 | \$533.84 | \$541.47 | \$552.13 | \$564.52 | \$576.80 |
| <b>MINIMUM</b> | 138.86   | 142.36   | 144.40   | 147.24   | 150.54   | 153.81   |

The above is subject to the maximum of 75% of the average weekly wage of the deceased.

# SCHEDULE OF WEEKLY WORKERS' COMPENSATION BENEFITS

## TYPE OF DISABILITY SECTION OF STATUTE

## FOR INJURIES OCCURRING

|  | 01-01-09<br>thru<br>12-31-09 | 01-01-10<br>thru<br>12-31-10 | 01-01-11<br>thru<br>12-31-11 | 01-01-12<br>thru<br>12-31-12 | 01-01-13<br>thru<br>12-31-13 | 01-01-14<br>thru<br>12-31-14 |
|--|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
|--|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|

### LUMP SUM DEATH BENEFIT

#### INCREASE KRS 342.750(6)

|  |             |             |             |             |             |             |
|--|-------------|-------------|-------------|-------------|-------------|-------------|
|  | \$68,198.54 | \$69,916.52 | \$70,916.46 | \$72,313.24 | \$73,933.98 | \$75,541.95 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|

### TEMPORARY AND PERMANENT

#### TOTAL KRS 342.730(1)(a)

66 2/3% of average weekly wage of  
employee-subject to the following:

|                |          |          |          |          |          |          |
|----------------|----------|----------|----------|----------|----------|----------|
| <b>MAXIMUM</b> | \$694.30 | \$711.79 | \$721.97 | \$736.19 | \$752.69 | \$769.06 |
| <b>MINIMUM</b> | 138.86   | 142.36   | 144.40   | 147.24   | 150.54   | 153.81   |

### RETRAINING INCENTIVE BENEFITS

KRS 342.732(1)(a) 66 2/3% of average  
weekly wage of employee-subject to the  
following:

|                |          |          |          |          |          |          |
|----------------|----------|----------|----------|----------|----------|----------|
| <b>MAXIMUM</b> | \$520.72 | \$533.84 | \$541.47 | \$552.13 | \$564.52 | \$576.80 |
| <b>MINIMUM</b> | NONE     | NONE     | NONE     | NONE     | NONE     | NONE     |

### PERMANENT PARTIAL FOR INJURIES OCCURRING

#### AFTER 12-11-96

#### KRS 342.730(1)(b), (1)(c)2,&(1)(d)

99% of 66 2/3% of average weekly  
wage of employee subject to the  
following:

|                |          |          |          |          |          |          |
|----------------|----------|----------|----------|----------|----------|----------|
| <b>MAXIMUM</b> | \$520.72 | \$533.84 | \$541.47 | \$552.13 | \$564.52 | \$576.80 |
| <b>MINIMUM</b> | NONE     | NONE     | NONE     | NONE     | NONE     | NONE     |

### PERMANENT PARTIAL FOR INJURIES OCCURRING

#### AFTER 12-11-96

#### KRS 342.730(1)(c)1,& (1)(d)

When the employee does not retain  
physical capacity to return to type  
of work performed at time of injury-  
99% of 66 2/3% of average weekly  
wage of employee subject to the  
following:

|                |          |          |          |          |          |          |
|----------------|----------|----------|----------|----------|----------|----------|
| <b>MAXIMUM</b> | \$694.30 | \$711.79 | \$721.97 | \$736.19 | \$752.69 | \$769.06 |
| <b>MINIMUM</b> | NONE     | NONE     | NONE     | NONE     | NONE     | NONE     |

## Key Personnel\*

|   |                |
|---|----------------|
| Dwight T. Lovan, Commissioner                       | (502) 782-4439 |
| Wayne Logan, Deputy Commissioner                    | (502) 782-4428 |
| Brenda Majcher, Senior Staff Advisor                | (502) 782-4439 |
| J. Landon Overfield, Chief Administrative Law Judge | (502) 782-4535 |
| Charlie Lowther, General Counsel                    | (502) 782-4464 |
| Derrick Hill, Technical Support Section             | (502) 782-4440 |
| Yvonne Creech, Design and Development Section       | (502) 782-4479 |
| Steve Mason, EDI Administrator                      | (502) 782-4540 |

### **Division of Claims Processing & Appeals**

|  |                |
|--|----------------|
| Ingrid Bowling, Director                 | (502) 782-4418 |
| Connie Morris, Claims Branch Manager     | (502) 782-4407 |
| Diana Morgan, Appeals Section Supervisor | (502) 782-4457 |

### **Division of Information & Research**

|   |                |
|---|----------------|
| Fran Davis, Director                                      | (502) 782-4578 |
| Cam Lawson, Acting Records Branch Manager, POC Supervisor | (502) 782-4486 |
| Carol Stevens, Imaging Branch Manager                     | (502) 782-4557 |
| Ashley Estep, Open Records Supervisor                     | (502) 782-4429 |
| Sharon Anderson, EDI Supervisor                           | (502) 782-4416 |
| Terri Robinson, Data Entry Supervisor                     | (502) 782-4402 |
| Kim McKenzie, Web Administrator                           | (502) 782-4484 |

### **Division of Ombudsman & Medical Specialist Services**

|  |                |
|--|----------------|
| Lucretia Johnson, Director   | (502) 782-4559 |
| John Mann, Attorney/Chief Specialist                                   | (502) 782-4532 |
| Pam Knight, Medical Cost Containment Supervisor                        | (502) 782-4449 |
| Marilyn Chastain, Managed Care   | (502) 782-4539 |
| Tara Aziz, Vocational Rehabilitation & Drug Free Workplace Coordinator | (502) 782-4555 |
| Toll Free Specialist Line  | (800) 554-8601 |

### **Division of Security and Compliance**

|   |                |
|---|----------------|
| Scott Gasser, Director                    | (502) 782-4534 |
| Dale Hamblin, Assistant Director          | (502) 782-4404 |
| Mike Watts, Self-Insurance Branch Manager | (502) 782-4510 |
| Tom Powell, Compliance Branch Manager     | (502) 782-4450 |

### **DWC Fax Numbers:**

|                         |                |                       |                |
|-------------------------|----------------|-----------------------|----------------|
| Commissioner's Office   | (502) 564-5934 | Claims                | (502) 564-3792 |
| Administrative Services | (502) 564-8250 | Rehabilitation        | (502) 564-5741 |
| Ombuds & WC Specialist  | (502) 564-9533 | Security & Compliance | (502) 564-0916 |
| Open Records/EDI        | (502) 564-5732 | WC Board Offices      | (859) 246-2779 |
| Medical Schedulers      | (502) 564-5741 |                       |                |

\* at end of fiscal year

No individual in the United States shall, on the grounds of race, color, religion, sex, national origin, age, disability, political affiliation or belief, be excluded from participation in, or denied benefits of, or be subjected to discrimination under any program or activity under the jurisdiction of the Kentucky Labor Cabinet.

This agency does not discriminate on the basis of race, color, national origin, religion, age or disability in employment or provision of services.

