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Public Statement: Update on the Review and Validation of Employer Paid Benefit Suspensions

FOR IMMEDIATE RELEASE

SUBJECT: Clarification and Standardization of Review Processes for Suspension of Employer Paid Benefits

Effective Date: Immediately

Overview
To ensure consistency, accountability, and accuracy across all claim reporting procedures, regulatory guidelines regarding the **suspension of Employer Paid (EP) benefits** have been updated to align with existing standards for indemnity benefit filings.

Key Details

1. **Standardized Timeliness Review:** The timeliness of any suspension of Employer Paid benefits will be reviewed and validated using the same standard and procedure currently applied to the suspension of **Initial Payment (IP) filings** when indemnity payments are suspended.
2. **Definition & Context of Employer Paid (EP) Benefits:** As defined in official reporting guidelines, **Employer Paid (EP)** refers to:
   "The first report of payment of an indemnity benefit other than a lump sum payment/settlement that has been paid by the employer in lieu of compensation, and the claim administrator is not paying any indemnity benefits at this time."
3. **Timely Filing of Suspensions KRS 342.038 (5) Timely Filing of Suspensions shall use the following criteria:**
   <=8 days between Benefit Period Through Date or Last Benefit Payment Issue Date (Whichever is latest) and Date Received by DWC = Timely
   9-23 days between Benefit Period Through Date or Last Benefit Payment Issue Date (Whichever is latest) and Date Received by DWC = Untimely without Penalty
   >23 days between Benefit Period Through Date or Last Benefit Payment Issue Date (Whichever is latest) and Date Received by DWC = Penalty

Impact on Claim Administrators and Employers

- **Process Alignment:** Claim administrators must ensure that filings related to the suspension of EP benefits adhere strictly to the timelines established for standard indemnity suspensions.
- **Compliance & Monitoring:** Regulatory monitoring and audit procedures will apply these identical timeliness standards to EP benefit suspensions going forward.

KRS 342.040(1), KRS 342.039, KRS 342.038, 120 KAR 001:170