



Oregon's Workers' Compensation System





Workers' Compensation Insurance

By law, Oregon employers must carry workers' compensation insurance or be self-insured. Workers' compensation insurance protects workers by paying for medical treatment and lost wages and protects employers by shielding them from liability lawsuits that might result from work-related injuries or illnesses.

Employers pay premiums to workers' compensation insurance companies, and those premiums finance most of the benefits received by workers if they are injured or suffer an occupational disease on the job. The legislature makes laws determining the level of benefits and who qualifies for benefits. The Department of Consumer and Business Services (DCBS) carries out policy for the governor, regulates Oregon's workers' compensation system, makes certain that employers provide insurance, and ensures that injured or ill workers receive the benefits due them.

Oregon has had some kind of workers' compensation program since 1914.

Today's system is designed to:

- ◆ prevent or reduce worker injuries and illnesses
- ◆ provide appropriate medical treatment and benefits to help injured workers recover and return to work as soon as possible
- ◆ resolve disputes quickly and fairly

Preventing workplace injuries and illnesses

When people think of workers' compensation, they usually think of the benefits workers receive after an injury – that is one part of the system; another important part involves preventing injuries and occupational disease.




That's where Oregon OSHA fits in. **Oregon OSHA** administers the **Oregon Safe Employment Act of 1973 (OSEA)**,

under which employers must provide safe and healthful workplaces for their employees and ensure that workers have the training and equipment to do their jobs safely.

Workers also have responsibilities in the workers' compensation system: They must follow their employers' workplace safety and health procedures and report hazards to supervisors. If employers don't correct hazards, workers have the right to file a complaint with Oregon OSHA.

Oregon OSHA conducts unannounced inspections of workplaces to make sure that employers comply with the law. Oregon OSHA may issue penalties against employers who violate OSEA, and can even shut down or "red tag" dangerous worksites.

Oregon OSHA may also inspect in the following situations:

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- ◆ When it receives a complaint
 - ◆ When there has been a fatal or catastrophic accident
 - ◆ When an accident requires hospital admission with medical treatment beyond first aid
 - ◆ When another agency reports a potential problem

Oregon OSHA also helps employers identify hazards and develop safety-and-health programs. Consultative services are separate from Oregon OSHA's enforcement activities, meaning that employers can request no-cost help without fearing that a consultation may lead to an inspection, citation, or penalty. Oregon OSHA provides a variety of other resources for employers, including classes, workshops, and statewide educational conferences. (See Who to call.)

Workers' compensation insurance companies offering coverage in Oregon provide similar consultative services to the employers they cover.

If a work injury or illness occurs



Workers who have work-related injuries or illnesses need to file a claim to receive workers' compensation benefits. They fill out the **Report of Job Injury or Illness** (Form 801) from their employer or the **Worker's and Physician's Report for Workers' Compensation** (Form 827) from their doctor. Either form begins the claims process. The employer or doctor sends the forms to the insurer. Insurers must accept or deny the claim within 60 days, then notify the **Workers' Compensation Division** (WCD) of DCBS within 14 days of acceptance or denial.

If the insurer denies a claim, it must send the injured worker a letter telling him or her why the claim is denied and about the right to appeal the denial to the Hearings Division of the Workers' Compensation Board (WCB). If the insurer accepts a claim, its letter will be a notice of acceptance specifying the medical conditions that will be covered under the claim. WCD oversees claims handling by auditing insurers' files to see if the claims were processed accurately and in a timely manner.

A worker temporarily or permanently disabled by an accepted work-related injury may receive payment from the workers' compensation insurer for medical treatment, lost wages, and permanent disability. Some workers



may qualify for vocational services. Oregon's workers' compensation benefits also include death benefits.

When an injured worker's doctor determines that the worker is medically stationary or that the work injury is no longer the major cause of the disability, the insurer notifies the worker that the claim will be closed and how much, if any, permanent disability payment is due the worker. Medically stationary means that the work-related injury or illness is not expected to improve with further treatment or the passage of time. If an injured worker fails to seek medical care for more than 30 days without doctor approval, the insurer must close the claim.

WCD administers two programs that help injured workers return to work: the **Employer-at-Injury Program**, which offers incentives to employers to provide light-duty work during a worker's recovery, and the **Preferred Worker Program**, which offers employers incentives such as worksite modification and wage subsidies.

Resolving disputes

Throughout the claims process, injured workers are informed about what to do and who to contact if they disagree with a decision or some other aspect of how their claims are being handled.

An insurer or an injured worker may request mediation services from WCD or the **Workers' Compensation Board** if there is a dispute about a claim issue, or request a hearing or an administrative review. Some issues must be appealed to WCD before going to WCB. During the appeals process, the insurer will have a lawyer; injured workers may also hire lawyers, with fees paid out of or in addition to any compensation that may be awarded.

There are also ways to resolve disputes or disagreements about Oregon OSHA penalties.

If an employer disagrees with a safety or health citation, Oregon OSHA will help in the effort to settle the disagreement informally. If there is no resolution, either party may appeal to WCB.





Who does what

Oregon OSHA – helps keep people out of the workers' compensation system through safety and health programs. Oregon OSHA adopts workplace health and safety standards that employers must meet and safety standards for selected industries such as agriculture and logging.

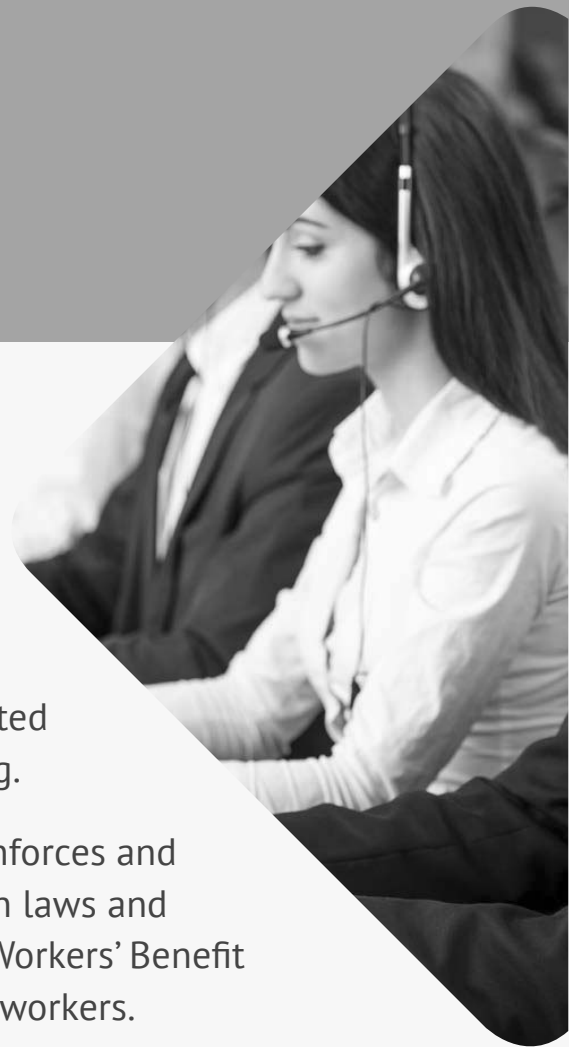
The Workers' Compensation Division – enforces and regulates Oregon's workers' compensation laws and administers several funds, including the Workers' Benefit Fund, designed to benefit employers and workers.

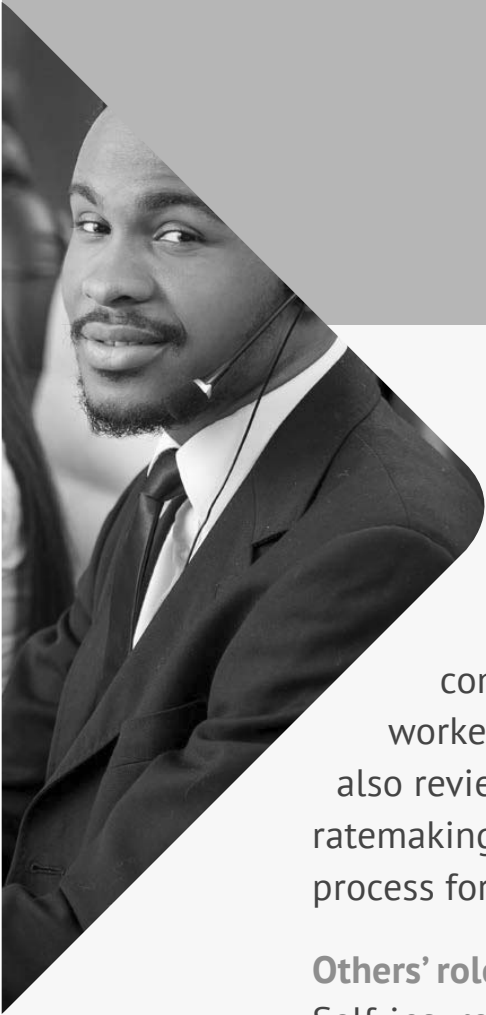
The Workers' Compensation Board – helps resolve workers' compensation claims, and health and safety citation disputes. WCB conducts hearings, mediations, reviews appeals, and approves claims disposition agreements.

The Ombudsman for Injured Workers (OIW) – helps injured workers with all aspects of the workers' compensation system.

The Small Business Ombudsman (SBO) – helps businesses with workers' compensation issues. The Ombudsman offices serve as advocates for the public independent of WCD.

The Management-Labor Advisory Committee – is appointed by the governor and includes five labor and five management representatives who explore issues





and make recommendations about workers' compensation to policymakers.

The Division of Financial Regulation

– licenses and regulates all insurance companies operating in Oregon, including workers' compensation insurers. The division also reviews premium rates, conducts hearings in ratemaking and disciplinary cases, and oversees the process for employer appeals on premium audits.

Others' roles in the workers' compensation system –

Self-insured employers; insurers, including the State Accident Insurance Fund Corporation (SAIF); and **managed care organizations** (MCOs) all play a role in the workers' compensation system. MCOs are groups of health care providers that contract with insurers to handle medical treatment of injured or ill workers. Outside of DCBS, there are other government entities that play roles in Oregon's workers' compensation system. Among these are the **Bureau of Labor and Industries** (BOLI), which enforces wage and hour laws and legal hiring practices and investigates alleged abuses, and the Oregon Institute of Occupational Health Sciences at Oregon Health and Science University in Portland. The institute provides the public, labor, business, health professionals, and government with information on hazardous factors in the environment. Its website is <http://www.ohsu.edu/xd/research/centers-institutes/croet/>.

Who to call

Oregon OSHA, 800-922-2689 (toll-free)

- ◆ Standards and Technical, workplace safety and health
- ◆ Oregon OSHA Resource Center, Oregon OSHA publications
- ◆ AV Library, training materials, videos, and DVDs
- ◆ Records Management, citation histories of employers in Oregon
- ◆ Education, conferences and no-cost workshops
- ◆ Enforcement, report work-safety violations

Workers' Compensation Division, 503-947-7810

- ◆ Benefit Consultation Unit, workers' compensation benefits information
- ◆ Employment Services Team, Preferred Worker and Employer-at-Injury programs
- ◆ Performance Section, report noncomplying employers or workers' compensation fraud and information about managed care organizations (MCOs) and penalties
- ◆ Employer Index, verify employer's coverage

Workers' Compensation Board, 877-311-8061 (toll-free)

Ombudsman for Injured Workers, 800-927-1271 (toll-free)

Small Business Ombudsman, 503-378-4209

community
Workers' Compensation

