

November 21, 2003

Dear Valued Client:

There has been a lot of conflicting information circulating in the insurance industry regarding the handling of first aid injuries. It seems each insurance company handles the administration of their first aid claims differently.

To assist you with your claims handling and to educate you in the best possible claims management practices, we have compiled the following information:



Cutting Through the Red Tape of First Aid Claims

- ◆ The definition of what constitutes “first aid” in the labor code, Section 5401, is clearly defined as “any one-time treatment of minor scratches, cuts, burns, splinters, or other minor industrial injury.” Generally speaking, a first aid injury is one that results in:
 - No time loss from work.
 - No more than 2 doctor visits.
 - No permanent restrictions are expected.
- ◆ The 1993 Reform legislation eliminated the restriction on who could provide first aid treatment. Prior to January 1, 1994, if a doctor administered the treatment, the injury was not considered “first aid”. This restriction has been eliminated.
- ◆ As defined in Labor Code 5401, an employer is not statutorily obliged to file a claim form (Form 5020, Employers First Report of Injury) for the injured employee being treated for first aid. In addition, Title 8, California Code of Regulations, Section 14001 was amended to adopt the definition of first aid claims found in the Labor Code. An employee claim form is no longer required for any first aid case.
- ◆ On October 31, 1994, the Workers’ Compensation Insurance Rating Bureau (WCIRB) published their bulletin “PROPER REPORTING OF FIRST AID OR SMALL CLAIMS” (attached). In this bulletin the WCIRB concluded that while the definitions and reporting procedures have changed, the insurance industry’s obligation to report all losses under a policy had not changed. They stated, “in order to preserve the integrity of the Experience Rating Plan, every loss occurring under a policy must still be reported”.
- ◆ In our discussions with several insurance companies, they all tend to treat first aid in various ways, no one company the same. Most companies feel that first aid claims do not need to be reported, if they fit the definition “one visit only”.

To fully comply with the regulations and to satisfy your obligations as an employer, we at Suhr Risk Services of California recommend the following procedures:

If an employee receives first aid treatment and a bill is generated, the employer's insurance company will pay that bill upon receipt. A claim will be recorded and the medical payment will be applied to the employer's experience modification factor. It is not necessary (but acceptable) to use Form 5020 to report a first aid claim.

1. Or, if you pay the first aid claim, we recommend that you submit Form 5020, Employers First Report of Injury, to the insurance company, marked "First Aid claim – **REPORT ONLY PAID**". Since there is ambiguity in how different insurance companies handle employer paid first aid claims, your insurance company may require full details and payments of the claim in addition to the 5020. As indicated previously, the WCIRB has concluded that it is the insurance industry's obligation to report all losses under an insurance policy. If your insurance company requires additional information and payments, please contact Suhr Risk Services in order that we can assist you in complying with their request.
2. We also recommend that the employer provide the injured worker with a DWC – 1 Form (Employee's Claim for Workers' Compensation Benefits). This form should be filed in the employee's personnel file. The DWC Form need not be submitted to the insurance company. This will assist in providing evidence that the employer followed the proper procedures and regulations.

Most importantly, please remember three things:

1. If an injury requires treatment beyond first aid, an employer must report it or will be subject to penalties.
2. This letter applies to California only.
3. If you have any questions or concerns, call us!