



## **Public Risk Innovation, Solutions, and Management Policy Statement**

This policy applies to all workers' compensation claims within PRISM's Primary Workers' Compensation (PWC) Program. For claims within PRISM's Excess Workers' Compensation (EWC) Program, this policy applies to any workers' compensation claim in which the member will be seeking reimbursement from PRISM.

The EWC Memorandum of Coverage (MOC) provides that each injury, whether specific or cumulative trauma (CT), constitutes a separate "occurrence." The MOC, Addendum A Guidelines, Labor Code, and the California Code of Regulations require that all claims be processed and paid on an occurrence basis, that losses paid should be allocated to the appropriate occurrence, and that separate injuries and benefits (i.e. resulting from separate accidents or events) must be separately processed. This allocation/contribution between occurrence-based claims is required regardless of whether the employee has one or multiple employers.

Allocations are not automatic when there is apportionment of permanent disability benefits or multiple injuries with overlapping body parts; however, the knowledge of additional injuries and/or prior future medical awards should trigger the analysis for allocation of benefit payments among the various "occurrences." Application of allocations will not affect pre-existing orders, approvals, or stipulations, wherein allocation was specified within that existing order approving. The allocation of benefits shall apply to dates of services and benefits provided from the maximum medical improvement date forward, unless otherwise statutorily required (e.g. PD periods due).

For all injuries resulting in the need for permanent disability and/or future medical care where the injured worker has a prior claim to the same body part, the claims administrator should obtain a medical opinion addressing allocation and payment of future benefits. The medical opinion is to determine the specific allocation for permanent disability and a separate allocation for future medical care related to the industrial injuries. The percentage allocated to indemnity and future medical care benefits will not be assumed to be the same. Any mutual compromise agreement of the allocation percentage between claims without a medical opinion shall be subject to the approval of the Claims Review Committee and/or the Primary Workers' Compensation Committee in accordance with the Staff Settlement Authority policy.

When an injury or injuries result from two or more occurrences, the member/claims administrator must set a realistic estimate of future liability for each occurrence/claim based on computations that reflect the probable total future cost of compensation and medical benefits due or that can reasonably be expected to be due over the life of the claim.

The member and claims administrator are responsible for determining where there is an allocation issue and pursuing it. If a claims administrator and/or member refuses to

pursue and/or complete allocations on a claim, PRISM reserves the right to defer settlement authorization and/or resolution of all reimbursement requests on the claim at issue until the claims administrator and/or member completes the allocation analysis and resolves the allocation issue(s) with PRISM. PRISM also reserves the right to intervene in the matter before the Workers' Compensation Appeals Board if the claims administrator and/or member refuses to pursue and/or complete an allocation analysis.

As this is a clarification of existing claims handling expectations, it is expected this policy will be followed in evaluating all currently existing, future, and associated claims.