TRINDEL INSURANCE FUND – Exit Conference

CSAC GUIDELINE AREA OR REQUIREMENT	REQUIRED SCORE	YORK SCORE	PASS?	COMMENT
CASE REVIEW & DOCUMENTATION				
Documentation reflects significant developments	95%	56%	No	Impacted by turnover
Plan Of Action included in documentation	95%	47%	No	Impacted by turnover
Examiner Diary every 45 days for indemnity claims; every 90 days for Future Medical claims	95%	10%	No	Impacted by turnover
Supervisor Diary @ 120 / 180	95%	47%	No	Impacted by turnover
Claim File Set Up / Housekeeping	95%	46%	No	Claims Connect limitations
Medical Only Claims reviewed @ 90 days	95%	50%	No	Ignored Requirement
COMMUNICATION				
Telephone – return calls in 1 day	95%	93%	No	
Date-Stamp Incoming Correspondence	95%	83%	No	Claims Connect limitations
Respond To Correspondence within 5 work days	95%	68%	No	Impacted by turnover
MEDICARE REPORTING				
Verify claimant's Medicare eligibility	100%	100%	Yes	
CLAIM CREATION: THREE POINT CONTACT				
With the Injured Worker	95%	59%	No	Impacted by turnover
With the CSAC Member	95%	74%	No	Impacted by turnover
With the Treating Doctor	95%	81%	No	Impacted by turnover
CLAIM CREATION: COMPENSABILITY				
Initial Decision In 14 Days	100%	86%	No	Impacted by turnover
Delay Letter Issued Per /DWC Guidelines	100%	50%	No	Impacted by turnover
Final Decision In 90 Days	100%	77%	No	Impacted by turnover

TRINDEL INSURANCE FUND – Exit Conference

CSAC GUIDELINE AREA OR REQUIREMENT	REQUIRED SCORE	YORK SCORE	PASS?	COMMENT
AOE-COE & OTHER INVESTIGATION				
AOE-COE investigation initiated within 3 work days of decision to delay	95%	100%	Yes	
Promptly Investigate Issues Material To Litigation	95%	83%	Acceptable Deviation	5 of 6 claims okay
Alert Member to need for investigation and keep Member Informed On scope and Results	95%	83%	Acceptable Deviation	5 of 6 claims okay
INDEXING				
Reported at time of set-up	100%	54%	No	System-wide error
Re-indexed "as needed" thereafter	100%	20%	No	Ignored requirement
FILE BALANCING				
Balance Indemnity Claims Twice A Year	95%	29%	No	Ignored requirement
If Multiple Losses --Pay On Correct Claim	95%	50%	No	Ignored requirement
RESERVING				
Initial Reserve = Most Probable Value	100%	94%	No	
Initial Reserve Posted within 14 Days of file set up	100%	92%	Acceptable Deviation	33 of 36 handled correctly
Reserves Reviewed & Adjusted	95%	77%	No	Impacted by turnover
Indemnity Breaks Out Labor Code § 4850	100%	100%	Yes	
PD Exposure Properly Includes Life Pension	100%	100%	Yes	
Future Med Files Reserved Per SIP Regs	100%	80%	No	
PAYMENTS				
Initial TD and PD payment issued timely	100%	75%	No	
DWC benefit notice mailed timely	100%	86%	No	
10% SIP on late payment of indemnity	100%	50%	No	1 of 2 claims OK
Overpayments identified; reimbursement requested	95%	60%	No	3 of 5 claims OK
Subsequent TD & PD payments verified	100%	91%	Acceptable Deviation	10 of 11 OK
10% SIP on late payment of subsequent indemnity	100%	N/A		

Prepared by Susan M. Wright for discussion purposes on March 29, 2012. Scores reflect raw data only - final scores may change.

TRINDEL INSURANCE FUND – Exit Conference

CSAC GUIDELINE AREA OR REQUIREMENT	REQUIRED SCORE	YORK SCORE	PASS?	COMMENT
PAYMENTS continued . . .				
Final indemnity payment issued w/timely benefit notice	100%	100%	Yes	
AWARD PAYMENT issues in 10 calendar days	95%	100%	Yes	
Medical bills paid in 60 work days	100%	94%	Acceptable Deviation	30 of 32 audited claims OK
Medical Provider notified if contested in 30 days	100%	100%	Yes	
Injured worker reimbursed in 15 work days	95%	75%	No	
Advance travel costs issued 10 work days prior to travel	95%	57%	No	Ignored requirement
Penalties coded & identified	100%	50%	No	Small sample – 2 claims
MEDICAL TREATMENT				
Spine Surgery Disputes resolved per L.C. 4062(b)	100%	N/A		
Nurse Case Mgrs used where appropriate	95%	100%	Yes	
APPORTIONMENT				
Apportionment investigated & documented	100%	95%	Acceptable Deviation	19 of 20 okay
If identified, use all efforts to reduce exposure	100%	80%	No	Failure to request medical records
DISABILITY MANAGEMENT				
Member notified of TEMPORARY restrictions	95%	100%	Yes	
Member notified of PERMANENT restrictions	100%	100%	Yes	
Follow up with Member if no response -20 calendar days	100%	N/A		
SUPPLEMENTAL JOB DISPLACEMENT BENEFITS				
Provide SJDB per L.C. 4658.5	100%	100%	Yes	
Promptly conclude voc rehab/SJDB; settle where appropriate	95%	78%	No	Problems issuing NORW; providing a voucher

TRINDEL INSURANCE FUND – Exit Conference

CSAC GUIDELINE AREA OR REQUIREMENT	REQUIRED SCORE	YORK SCORE	PASS?	COMMENT
RESOLUTION				
Take Action To Finalize Within 10 Work Days of Receiving Medical Information Indicating Claim an Be Finalized	95%	55%	No	Impacted by turnover
SETTLEMENT VALUE shall be documented using all relevant information	95%	100%	Yes	
SETTLEMENT AUTHORIZATION				
CSAC must give advance written consent to any agreement involving liability or potential liability	100%	100%	Yes	
TPA shall obtain Member's authorization on all settlements in excess of TPA settlement authority	100%	100%	Yes	
LITIGATED CASES				
Assign Member-approved Defense Attorney	95%	83%	No	10 of 12 okay; delays noted. Impacted by turnover.
Settlement proposals shall be in clear & concise written form with a reasoned recommendation.	95%	100%	Yes	
SUBROGATION				
Attempt to identify 3rd party within 14 cal days	95%	33%	No	Only 1 of 3 claims handled correctly.
Once identified, contact 3rd party in 14 cal days	95%	0%	No	One claim
Maintain periodic contact with 3rd Party	95%	0%	No	One claim
Monitor claim to preserve Statute of Limitations	95%	N/A		
If injured worker files civil action TPA will consult w/Member re value of claim and need for attorney	95%	N/A		
Subrogation Legal Counsel Assigned If Necessary	95%	N/A		
Aggressively Pursue & maximize recovery; assert a credit against IW's net recovery for future benefits	95%	0%	No	

TRINDEL INSURANCE FUND – Exit Conference

CSAC GUIDELINE AREA OR REQUIREMENT	REQUIRED SCORE	YORK SCORE	PASS?	COMMENT
EXCESS INSURANCE				
Excess reportable claims shall be reported within 5 work days from date criterion is met	100%	40%	No	Impacted by turnover
Subsequent Reports shall issue on a quarterly (indemnity) or semi-annual (future medical) basis	95%	62%	No	Impacted by turnover
Reimbursement REQUESTS as required	95%	38%	No	Ignored requirement; failed to spot discrepancies
When Award paid - provide CSAC copy of Award	95%	60%	No	Ignored requirement 3 of 5 handled okay
Closing Report with settlement documents not previously sent shall be sent to CSAC	95%	N/A		

Summary	
Complied with requirement	15
Did not comply with requirement	41
Was within an Acceptable Deviation	6
No audited claim for this requirement ("N/A")	7
Total # of Requirements	69

York Risk Services Group, Inc.
P.O. Box 619058
Roseville, CA 95661-9058

April 24, 2012

CSAC Excess Insurance Authority
Attn: Kathy McLean, Claims Manager
CSAC Excess Insurance Authority
75 Iron Point Circle, Suite 200
Folsom, CA 95630

Trindel Insurance Fund
Attn: David Nelson, Executive Director
P. O. Box 2069
Weaverville, CA 96093

Re: Response to Audit Results for Trindel Insurance Fund – Susan M. Wright & Associates

Dear Kathy and David,

This letter is in response to Susan Wright's audit report dated April 6, 2012 on behalf of the CSAC-EIA and Trindel Insurance Fund. We have reviewed the findings and take full responsibility for these results. We wish that as an organization, we had the opportunity to correct the deficiencies found by Ms. Wright; but with Trindel's recent transition to self-administration we are unable to implement all of the recommended changes.

Prior to the exit conference with Ms. Wright we asked for, and received, an itemized listing of some areas of concern. They were:

- Every active indemnity claim be balanced
- Make certain there is a future diary set on every open claim
- Make certain there is a diary set for supervisor/manager review
- Scan all documents for the last year and clean up those documents that aren't sufficiently labeled
- Index all open indemnity claims
- Every CSAC EIA excess reportable claim should be reviewed and amount of recoveries confirmed
- Provide Trindel with a list of subrogation claims, litigation claims, and excess insurance claims

All but one of the items outlined above were completed by April 1, 2012. Trindel's claims were converted to our paperless system on 7/1/11; documents received prior to that date were not scanned and are housed in the paper file. The paper files were boxed and prepared for pick-up by Trindel so we did not have access to scan any important documents as recommended by the audit.

In closing, we would like to apologize to both the CSAC – EIA and Trindel Insurance Fund for this poor audit report. We truly value our relationships with each of you. We will continue to work closely with Trindel through the transition to self-administration in an effort to mitigate any issues related to York's poor performance.

Please let us know if you need additional information or further clarification.

Sincerely,

Karen Callahan
Vice President, Public Entity
(916) 960-0948

Debbie Yokota
Regional Vice President, Workers' Compensation
(916) 960-0965