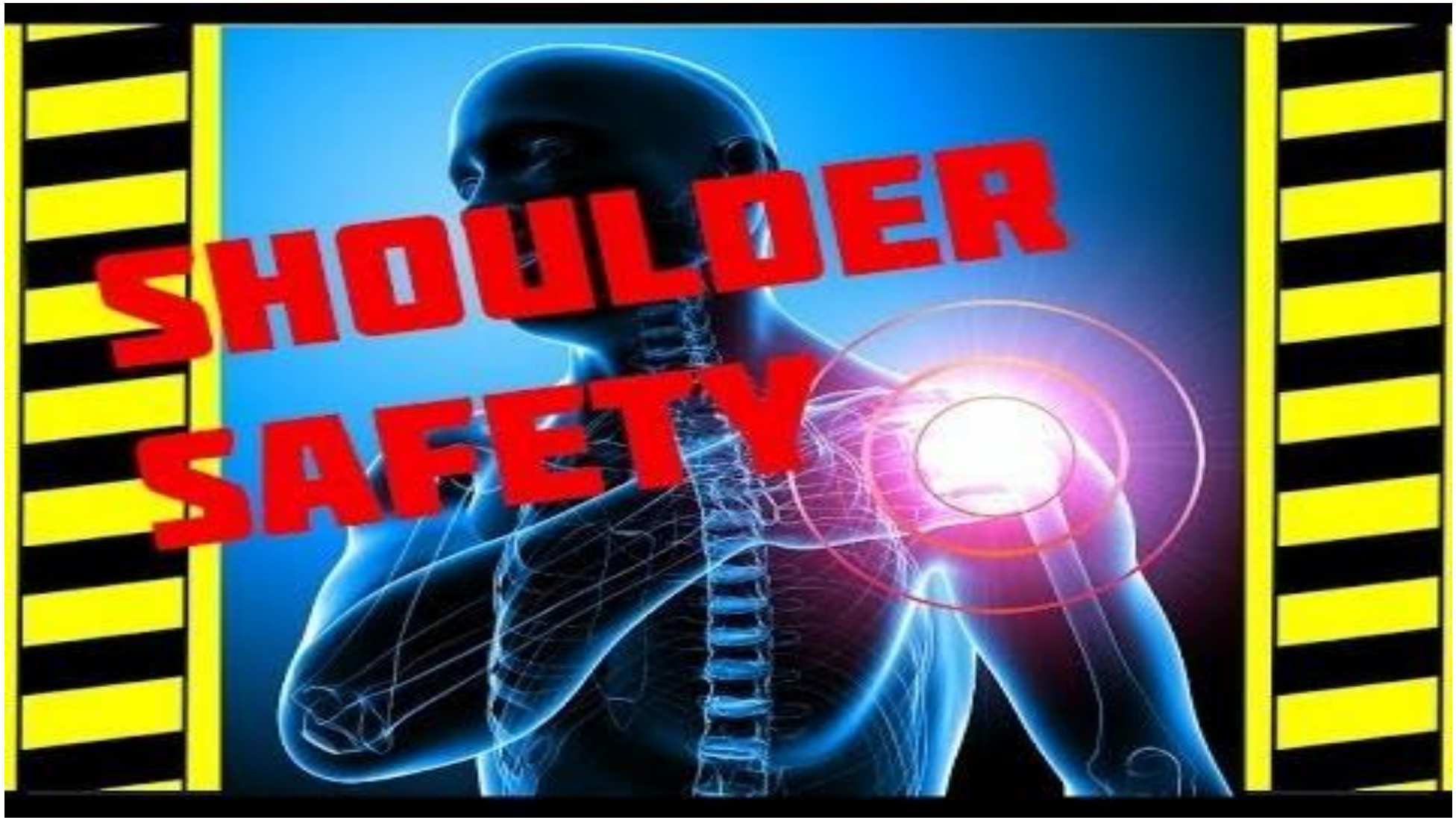
Self-Insurance Training Presents:

Permanent Partial Disability (PPD), Closure and Reopening

2024 Quarterly Training

Safety Tip



Resources

- L&I self-insured section – self-insured main-page
  https://lni.wa.gov/insurance/self-insurance/about-self-insurance/

- Claims Adjudication Guidelines (CAG) – Reopenings, Claim Closures and PPD
  https://lni.wa.gov/insurance/_docs/CAGReopenings.pdf

- Forms and Templates – Reopening Application
  https://lni.wa.gov/forms-publications/F242-079-000.pdf

Claim Closure

- Claim Closure is appropriate when:
  - Worker's accepted diagnoses have reached Maximum Medical Improvement.
  - All contended conditions have been addressed
  - Claim has reached vocational resolution
    - Able to work, return to work, transferable skills, retraining plan complete, etc.

Questions to address

- Time-loss/loss of earning power compensation:
- Have all time-loss/LEP benefits been correctly computed and paid?
- Have the first three days after the injury been paid?
- Were health care benefits included or excluded based on the employer’s contribution?
- Were all applicable July 1 cost of living adjustments paid?
- Have all LEP calculation worksheets been completed, if applicable?

Questions to address

- Vocational issues:
  - Is the worker working or able to work?
  - Have any disputes been resolved?

Vocational Options

- Ability to Work / Transferrable skills
- Completes Retraining Plan
- Option 2
- Suspension
- Unlikely to benefit from Retraining

Requests for Department Closure

- SIE must send:
  - Complete and accurate Claim Closure Request (CCR) form.
  - Transaction record of all time-loss/LEP payments.
  - Copy of all claim records not previously sent.

Claim Closure Request Form

Closure Request and Compensation Paid			
Has compensation been paid on this claim? ☐ Yes ☐ No (Medical Only)	Are you reporting an employer closure (EC)? ☐ Yes ☐ No	Is there PPD on the claim? ☐ Yes ☐ No	
Last Day Worked*	Returned to Work*	Released to Work*	Compensation Paid Through Date
Provide PPD description and any prior PPD paid.			
Total Time-Loss Amount Paid	Total Time-Loss Days Paid	Total LEP Amount Paid	Total LEP Day Paid
Claim closure remarks and description of supporting documentation for closure request. (*Please attach the supporting documentation directly behind this form. If compensation benefits were paid, ensure a copy of the SIF-5A and a payment ledger has been included with the complete copy of this claim file. *If multiple dates listed, please provide explanation.*)			

Department Action - Claim Closure Requests

- Closure is appropriate
- Not enough info
- Closure not appropriate

Self-Insured Employers' Jurisdiction

SIEs have jurisdiction to close claims filed on or after 8/1/97 if:

- Worker returned to work for same employer at comparable wages and benefits.
- No department order has been issued to resolve a dispute.
- If an IME was obtained for closing medical, was it sent to the AP and 14 days allowed for response?

Medical Only SIE Closures

- SIEs must submit MO closures to department by the end of the month following closure. (WAC 296-15-450)
- Can be submitted electronically or by sending SIF-2 with closure date completed in the lower left corner.
  - Including a copy of the closing order is preferred

Questions to address

- Medical issues:
  - Were all contended medical conditions addressed?
  - Were all accepted conditions addressed in the closing medical exam?
  - Is there any permanent impairment related to this injury or occupational disease?
  - If an IME was obtained for closure, was the AP asked for concurrence?
  - Has PPD previously been paid, on this claim or another?

Medical Only Closures (MO)

This order constitutes notification that your claim is being closed with such medical benefits and temporary disability compensation as provided to date and with such award for permanent partial disability, if any, as set forth below, and with the condition that you have returned to work with the self-insured employer. If for any reason you disagree with the conditions or duration of your return to work or the medical benefits, temporary disability compensation provided, or permanent partial disability that has been awarded, you must protest in writing to the Department of Labor and Industries, Self-Insurance Section, PO Box 44892, Olympia WA 98504-4892 within sixty days of the date you receive this order. If you do not protest this order to the Department, this order will become final.

This claim is closed with medical benefits only effective _____ without award for time loss or permanent partial disability.

_____

(*Name of Self-Insured Employer*) is not required to pay for medical services or treatment rendered after the date of closure.

Time-Loss SIE Closures

- SIE must report at time of closure and submit the following to the department:
  - Copy of SIF-2 if not previously submitted.
  - Copy of closing order.
  - Complete and accurate Claim Closure Request form.

Time-Loss Closures (EC)

This order constitutes notification that your claim is being closed with such medical benefits and temporary disability compensation as provided to date and with such award for permanent partial disability, if any, as set forth below, and with the condition that you have returned to work with the self-insured employer. If for any reason you disagree with the conditions or duration of your return to work or the medical benefits, temporary disability compensation provided, or permanent partial disability that has been awarded, you must protest in writing to the Department of Labor and Industries, Self-Insurance Section, PO Box 44892, Olympia WA 98504-4892 within sixty days of the date you receive this order. If you do not protest this order to the Department, this order will become final.

Time loss compensation in this claim is ended as paid to

_____

This claim is closed effective _____ without further award for time loss or permanent partial disability.

_____

(*Name of Self-Insured Employer*) is not required to pay for medical services or treatment rendered after the date of closure.

WAC 296-15-450

A self-insurer may close	If the	With time-loss?	Other requirements?	With PPD?
Medical only (MO) claims	Claim was filed on or after 07/01/90 and before 08/01/97	Without	None.	Without[1]
Time-loss (TL) claims	Claim was filed on or after 07/01/86 and before 08/01/97	With	1. Not if the department issued an order resolving a dispute; AND 2. Only if the worker returned to work with the employer of record at the same job or at a job with comparable wages and benefits.[2]	Without[1]
All claims: Medical only (MO) claims Time-loss (TL) claims Permanent partial disability (PPD) claims	Claim was filed on or after 08/01/97	With or without	1. Not if the department issued an order resolving a dispute; AND 2. Only if the worker returned to work with the employer of record at the same job or at a job with comparable wages and benefits;[2] AND 3. Only if the closing medical report was sent to the attending or treating doctor and 14[3] days allowed for response.	With or without

[1] A self-insurer may not close a claim with PPD if the injury or illness occurred before 08/01/97.

[2] Comparable means the wages and benefits are at least ninety-five percent of the wages and benefits received by the worker at the time of injury.

[3] When not specified, time is in calendar days.

Knowledge Check

What WAC gives authority for a Self-Insured Employer to close their own claim?

WAC 296-15-450

The SIE submitted their Claim Allowance Request form on 4/1/22. The SIE closed this claim on 5/15/22 prior to Allowance Order being issued from the Department.

Was closure appropriate?

No

The department has issued Joey's allowance order and wage order resolving his dispute to pay correct time-loss.

Can the SIE close the claim?

No

Michelle returned to work after being fully released. The department issued her allowance order. An IME was completed indicating MMI and was sent to the AP with concurrence received.

Can the SIE close the claim?

Yes

What is Permanent Partial Disability?

- Defined by RCW 51.08.150
- Further defined by courts to include:
  - A condition arising from the injury that is fixed, lasting and stable
  - Any impairment of physical or mental function which detracts from the worker's physical or mental efficiency and thus hinders the worker in the ordinary pursuits of life

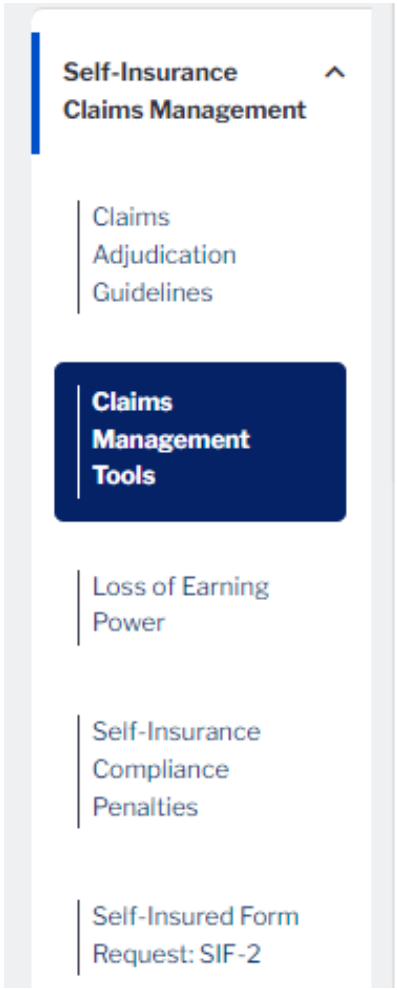
PPD Ratings

- Based on medical opinion in accordance with department rules
- Should follow American Medical Association (AMA) guidelines, 5th edition
- Includes both Objective and Subjective findings
- Ratings must be done by a qualified attending provider or independent medical examiner
- All IME ratings done must be submitted to the AP for review

Rating Reports

- Must include the following:
  - A statement that the worker has reached MMI
  - Details of the physical exam
  - Results of diagnostic testing
  - Rating consistent with the findings and citation of the system used for the rating
  - Rationale for the rating supported by objective findings

PPD Award Schedules



BENEFIT CALCULATIONS | PPD AWARD SCHEDULES | FORMS & TEMPLATES | CHECKLISTS & COVERSHEETS | MPNSR & RCL

A permanent partial disability (PPD) is a permanent impairment that results from the workplace injury or occupational disease. When this occurs, a worker may be eligible to receive a PPD benefit.

In order to qualify for a PPD benefit, the impairment must be rated by a qualified doctor.

Reference PPD Down Payment Amounts.

Every year the PPD award schedules are updated. We have included the most recent schedules below to help you calculate the award.

- 7/1/2023 through 6/30/2024 PPD schedule
- 7/1/2022 through 6/30/2023 PPD schedule
- 7/1/2021 through 6/30/2022 PPD schedule
- 7/1/2020 through 6/30/2021 PPD Schedule
- 7/1/2019 through 6/30/2020 PPD schedule

Unspecified vs Specified

TBI=Total Bodily Impairment; dollar amount represents TBI for this time period as set by the consumer price index. Calculations represent % times the TBI.

Category	%TBI	$228,219.54
Cervical and Cervicodorsal		
2	10	$22,821.96
3	20	$45,643.92
4	25	$57,054.90
5	35	$79,876.83
Dorsal		
2	10	$22,821.96
3	20	$45,643.92
Dorsolumbar and/or Lumbosacral		
2	5	$11,410.98
3	10	$22,821.96
4	15	$34,232.94
5	25	$57,054.90
6	40	$91,287.81
7	60	$136,931.73
8	75	$171,164.67
Pelvis		
2	2	$4,564.38
3	5	$11,410.98
4	5	$11,410.98
5	5	$11,410.98
6	5	$11,410.98
7	10	$22,821.96
8	10	$22,821.96
9	15	$34,232.94
Convulsive Neurologic		
2	10	$22,821.96
3	35	$79,876.83
4	60	$136,931.73
Mental		
2	10	$22,821.96
3	25	$57,054.90
4	45	$102,698.79
5	70	$159,753.69
Cardiac		
2	10	$22,821.96
3	20	$45,643.92
4	35	$79,876.83
5	50	$114,109.77
6	65	$148,342.71

Category	%TBI	$228,219.54
Respiratory		
2	15	$34,232.94
3	25	$57,054.90
4	40	$91,287.81
5	65	$148,342.71
6	75	$171,164.67
Respiratory with Normal Baseline Spirometry on or after 3/1/94		
2	5	$11,410.98
3	10	$22,821.96
4	15	$34,232.94
Air Passage		
2	5	$11,410.98
3	15	$34,232.94
4	25	$57,054.90
5	35	$79,876.83
6	60	$136,931.73
Air Passage due to Nasal Septum Perforations		
2	2	$4,564.38
Loss of Taste and Smell		
1	3	$6,846.60
2	3	$6,846.60
Speech		
2	5	$11,410.98
3	10	$22,821.96
4	20	$45,643.92
5	30	$68,465.85
6	35	$79,876.83
Skin		
2	5	$11,410.98
3	10	$22,821.96
4	25	$57,054.90
5	40	$91,287.81
6	60	$136,931.73
Upper Digestive Tract, Stomach, Esophagus or Pancreas		
2	5	$11,410.98
3	10	$22,821.96
4	35	$79,876.83
5	60	$136,931.73

Category	%TBI	$228,219.54
Lower Digestive Tract		
2	5	$11,410.98
3	15	$34,232.94
4	30	$68,465.85
Anal Function		
2	5	$11,410.98
3	15	$34,232.94
4	25	$57,054.90
Liver and Biliary Tract		
2	5	$11,410.98
3	20	$45,643.92
4	40	$91,287.81
5	60	$136,931.73
Spleen, Loss of One Kidney and Surgical Removal of Bladder with Urinary Diversion		
1	15	$34,232.94
2	10	$22,821.96
3	20	$45,643.92
Upper Urinary Tract		
2	10	$22,821.96
3	25	$57,054.90
4	45	$102,698.79
5	65	$148,342.71
Additional Impairment of Upper Urinary Tract due to Surgical Diversion		
1	10	$22,821.96
2	15	$34,232.94
Bladder Function		
2	10	$22,821.96
3	20	$45,643.92
4	30	$68,465.85
5	50	$114,109.77
Anatomical or Functional Loss of Testes		
2	5	$11,410.98
3	10	$22,821.96
4	25	$57,054.90
5	35	$79,876.83

LEG	
Leg above the knee joint with short thigh stump (3" or less below the tuberosity of ischium)	$136,931.82
Leg at or above the knee joint with functional stump	$123,238.65
Leg below knee joint	$109,545.63
Leg at ankle (syme)	$95,852.34
FOOT	
Foot at mid-metatarsals	$47,926.20
TOE	
Great toe with resection of metatarsal bone	$28,755.69
Great toe at metatarsophalangeal joint	$17,253.30
Great toe at interphalangeal joint	$9,128.85
2nd lesser toe with resection of metatarsal bone	$10,498.08
3rd lesser toe with resection of metatarsal bone	$10,498.08
4th lesser toe with resection of metatarsal bone	$10,498.08
5th lesser toe with resection of metatarsal bone	$10,498.08
2nd lesser toe at metatarsophalangeal joint	$5,112.06
3rd lesser toe at metatarsophalangeal joint	$5,112.06
4th lesser toe at metatarsophalangeal joint	$5,112.06
5th lesser toe at metatarsophalangeal joint	$5,112.06
2nd lesser toe at proximal interphalangeal joint	$3,788.49
3rd lesser toe at proximal interphalangeal joint	$3,788.49
4th lesser toe at proximal interphalangeal joint	$3,788.49
5th lesser toe at proximal interphalangeal joint	$3,788.49
2nd lesser toe at distal interphalangeal joint	$958.56
3rd lesser toe at distal interphalangeal joint	$958.56
4th lesser toe at distal interphalangeal joint	$958.56
5th lesser toe at distal interphalangeal joint	$958.56
ARM	
Arm at or above the deltoid insertion or by disarticulation of the shoulder	$136,931.82
Arm at any point below the deltoid insertion to below the elbow joint at the insertion of the biceps tendon	$130,085.19
Arm at any point from below the elbow joint distal to the insertion of the biceps tendon to and including mid-metacarpal amputation of the hand	$123,238.65
FINGER	
All fingers except the thumb at the metacarpophalangeal joints	$73,943.07
Thumb at metacarpophalangeal joint or with resection of carpometacarpal bone	$49,295.49
Thumb at interphalangeal joint	$24,647.73
Index finger at metacarpophalangeal joint or with resection of metacarpal bone	$30,809.67
Index finger at proximal interphalangeal joint	$24,647.73
Index finger at distal interphalangeal joint	$13,556.22
Middle finger at metacarpophalangeal joint or with resection of metacarpal bone	$24,647.73
Middle finger at proximal interphalangeal joint	$19,718.16
Middle finger at distal interphalangeal joint	$11,091.57
Ring finger at metacarpophalangeal joint or with resection of metacarpal bone	$12,323.88
Ring finger at proximal interphalangeal joint	$9,859.17
Ring finger at distal interphalangeal joint	$6,161.82
Little finger at metacarpophalangeal joint or with resection of metacarpal bone	$6,161.82
Little finger at proximal interphalangeal joint	$4,929.60
Little finger at distal interphalangeal joint	$2,464.77
MISC.	
Loss of one eye by enucleation	$54,772.62
Loss of central visual acuity in one eye	$45,643.89
Complete loss of hearing in both ears	$109,545.63
Complete loss of hearing in one ear	$18,257.46
Compensation for unspecified disabilities of 100% as compared to total bodily impairment	$228,219.54

Unspecified PPD

- For conditions rated by the category system, a percentage rating is not appropriate
- Describe levels of physical and mental impairments
- Rating provider selects category that most closely describes the condition
- The department assigns percentages to each category
- Legislature assigns maximum monetary value to unspecified disability as compared to TBI

Unspecified PPD

- PPD is paid at the category given
  - Example: Worker injured their neck on 9/23/16. At closure was rated a category 3 impairment. Category 3 at Cervical and Cervicodorsal is $39,849.39

Specified PPD

- Must be paid at the level rated by the provider
  - "Level" is generally a synonym of "Joint"
  - It is not uncommon for some providers to rate for an entire extremity
  - Example: Ankle injury and the doctor provides a rating of 5% at the ankle, the PPD should be paid at that level. In other words, paid at the ankle joint.

Specified PPD

- The AMA guides do not provide a rating table for the knee or elbow level
  - The knee or elbow must be rated at the full extremity
  - Example: Knee injury and the doctor gives a rating of 2% of the lower extremity. PPD should be paid at that level

Specified PPD

- If the provider gives a non-specific rating, gather clarification, or use the rating given at the highest level
  - Example: Finger tip amputation and rating given is 5% of the total finger, pay either total finger as given, or ask for clarification
- If there are multiple ratings for fingers or toes, it is appropriate to pay each rating individually

Calculating Specified PPD

- PPD is paid as a percentage of the total amputation value at a given level
  - Example: Worker injured their right knee on 04/05/2017, and has a 32% impairment of the right lower extremity. The payment is calculated:

    32% X $119,548.23 = $38,255.43
  - Example: DOI 08/01/2018. Rating is given as an 8% total hand impairment.

    8% X $110,961.99 = $8,876.96

Knowledge Check

Matthew injured his knee at work on July 7, 2011. He has a 15% loss of function and 10% impairment for loss of sensation which combine for a 20% impairment of the left knee which equals a 10% impairment of the left lower extremity which equals a 5% impairment of the whole person.

What type of impairment is this and at what level to pay?

Specified; Level: 10% left lower extremity

(leg above knee joint with short thigh stump)**.**

How much money is the impairment?

Pay: $11,034.03 ($110,340.33 x 10%)

Note: The rating is a "combined" rating, where the percentages do not add up. The doctor used a combined values chart to come up with the total impairment percentage.

Summer hurt her low back on 6/12/2017.
On 9/16/2018 she attended an IME indicating that she had a Category 3 lumbar impairment.

What type of impairment is this?

Unspecified

How much money is the impairment?

Pay: $19,924.68 (Dorsolumbar and/or Lumbosacral)

PPD Payments

- When a PPD award is more than three times the state's average wage (SAW) at the DOI, a down payment of that amount is made.
- The balance of the award is then paid in monthly installments equal to the worker's monthly time-loss compensation rate (at the time of closure).
- PPD awards that are less than the down payment amount **must** be paid in a lump sum payment

PPD Down Payment

Washington State Department of Labor & Industries

Permanent Partial Disability Award
Down Payment Amounts

Injury Date	Down Payment Amount
July 1, 2023 through June 30, 2024	**$21,041.73**
July 1, 2022 through June 30, 2023	$20,626.98
July 1, 2021 through June 30, 2022	$19,185.24
July 1, 2020 through June 30, 2021	$17,424.99
July 1, 2019 through June 30, 2020	$16,325.25
July 1, 2018 through June 30, 2019	$15,471.75

PPD Interest

- Dates of Injury prior to 06/15/2011 are subject to interest on the unpaid balance at the following rates:

Injury Date	Interest per Annum
Prior to July 1, 1971	5%
July 1, 1971 through June 30, 1982	6%
July 1, 1982 through June 14, 2011	8%

- Dates of injury on or after 06/15/2011 are not subject to interest on the unpaid balance

Schedule of Future Payments

Amount Of Award: _____

Initial Payment: _____

Date Initial Payment Paid: _____

Unpaid Balance: _____

Date of Payment	Unpaid Balance	Interest*	Time Loss Schedule	Amt of Payment

*Interest is only due for claims with dates of injury or manifestation prior to 6/15/2011.

Filling out a Schedule of Future Payments

Jamie is entitled to a PPD award of $16,414.47 (Category 2 for cervical impairment) for her 8/1/06 injury. At the time of claim closure, her time-loss rate was $1,500.00 per month.

Amount of award: **$16,414.47**
Down payment: **$10,096.23**
Balance: **$ 6,318.24**
Date of down payment: **5/30/07**

Date of Payment	Unpaid Balance	Interest (.0067/month)	Time-Loss Schedule	Payment Amount

Jamie is entitled to a PPD award of $16,414.47 (Category 2 for cervical impairment) for her 8/1/06 injury. At the time of claim closure, her time-loss rate was $1,500.00 per month.

Amount of award: $16,414.47
Down payment: $10,096.23
Balance: $ 6,318.24
Date of down payment: 5/30/07

Date of Payment	Unpaid Balance	Interest (.0067/month)	Time-Loss Schedule	Payment Amount
6/30/07				
7/30/07				
8/30/07				
9/30/07				
10/30/07				

Jamie is entitled to a PPD award of $16,414.47 (Category 2 for cervical impairment) for her 8/1/06 injury. At the time of claim closure, her time-loss rate was $1,500.00 per month.

Amount of award: $16,414.47
Down payment: $10,096.23
Balance: $ 6,318.24
Date of down payment: 5/30/07

Date of Payment	Unpaid Balance	Interest (.0067/month)	Time-Loss Schedule	Payment Amount
6/30/07			$1,500.00	
7/30/07			$1,500.00	
8/30/07			$1,500.00	
9/30/07			$1,500.00	
10/30/07			$1,500.00	

Jamie is entitled to a PPD award of $16,414.47 (Category 2 for cervical impairment) for her 8/1/06 injury. At the time of claim closure, her time-loss rate was $1,500.00 per month.

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Down payment: $10,096.23
Balance: $ 6,318.24
Date of down payment: 5/30/07

Date of Payment	Unpaid Balance	Interest (.0067/month)	Time-Loss Schedule	Payment Amount
6/30/07	$6,318.24		$1,500.00	
7/30/07			$1,500.00	
8/30/07			$1,500.00	
9/30/07			$1,500.00	
10/30/07			$1,500.00	

Jamie is entitled to a PPD award of $16,414.47 (Category 2 for cervical impairment) for her 8/1/06 injury. At the time of claim closure, her time-loss rate was $1,500.00 per month.

Amount of award: $16,414.47
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Balance: $ 6,318.24
Date of down payment: 5/30/07

Date of Payment	Unpaid Balance	Interest (.0067/month)	Time-Loss Schedule	Payment Amount
6/30/07	$6,318.24	$6318.24 x .0067 **$42.33**	$1,500.00	
7/30/07			$1,500.00	
8/30/07			$1,500.00	
9/30/07			$1,500.00	
10/30/07			$1,500.00	

Jamie is entitled to a PPD award of $16,414.47 (Category 2 for cervical impairment) for her 8/1/06 injury. At the time of claim closure, her time-loss rate was $1,500.00 per month.

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Down payment: $10,096.23
Balance: $ 6,318.24
Date of down payment: 5/30/07

Date of Payment	Unpaid Balance	Interest (.0067/month)	Time-Loss Schedule	Payment Amount
6/30/07	$6,318.24	$42.33	$1,500.00	$1,542.33
7/30/07			$1,500.00	
8/30/07			$1,500.00	
9/30/07			$1,500.00	
10/30/07			$1,500.00	

Jamie is entitled to a PPD award of $16,414.47 (Category 2 for cervical impairment) for her 8/1/06 injury. At the time of claim closure, her time-loss rate was $1,500.00 per month.

Amount of award: $16,414.47
Down payment: $10,096.23
Balance: $ 6,318.24
Date of down payment: 5/30/07

Date of Payment	Unpaid Balance	Interest (.0067/month)	Time-Loss Schedule	Payment Amount
6/30/07	$6,318.24	$42.33	$1,500.00	$1,542.33
7/30/07	$4,818.24		$1,500.00	
8/30/07			$1,500.00	
9/30/07			$1,500.00	
10/30/07			$1,500.00	

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Amount of award: $16,414.47
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Date of Payment	Unpaid Balance	Interest (.0067/month)	Time-Loss Schedule	Payment Amount
6/30/07	$6,318.24	$42.33	$1,500.00	$1,542.33
7/30/07	$4,818.24	$32.38	$1,500.00	$1,532.28
8/30/07	$3,318.24	$22.23	$1,500.00	$1,522.23
9/30/07	$1,818.24	$12.18	$1,500.00	$1,512.18
10/30/07	$318.24	$2.13	$1,500.00	

Jamie is entitled to a PPD award of $16,414.47 (Category 2 for cervical impairment) for her 8/1/06 injury. At the time of claim closure, her time-loss rate was $1,500.00 per month.

Amount of award: $16,414.47
Down payment: $10,096.23
Balance: $ 6,318.24
Date of down payment: 5/30/07

Date of Payment	Unpaid Balance	Interest (.0067/month)	Time-Loss Schedule	Payment Amount
6/30/07	$6,318.24	$42.33	$1,500.00	$1,542.33
7/30/07	$4,818.24	$32.28	$1,500.00	$1,532.28
8/30/07	$3,318.24	$22.23	$1,500.00	$1,522.23
9/30/07	$1,818.24	$12.18	$1,500.00	$1,512.18
10/30/07	$318.24	$2.13	~~$1,500.00~~	$318.24 + 2.13 **$320.37**

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9/30/07	$1,818.24	$12.18	$1,500.00	$1,512.18
10/30/07	$318.24	$2.13	$1,500.00	$320.37

Knowledge Check

Category 2 for cervical impairment for DOI 8/9/22.

Amount of award:

$22,821.96

Lump sum or down payment:

Down payment ($22,821.96 > $20,626.98)

Torry injured his right knee on 7/3/14. His condition became stable and he was rated for permanent partial disability (PPD) on 10/3/16. The independent medical examination (IME) rated his disability at 15% of the right lower extremity. The down payment was issued on 10/15/16. His date of injury monthly time-loss rate was $1735.66.

Monthly time-loss rate at claim closure: **$1,781.36**

($1,735.66 x (skip 1st COLA for 7/1/15) 1.02633 COLA for 7/1/16)

Amount of award: **$17,739.96** (15% x $118,266.42)

Down payment: **$13,158.75**

Number of payments: **2 full and 1 partial**

Torry

Amount of award: **$17,739.96**
Initial payment: **$13,158.75**
Date Initial Payment Paid: **10/15/16**
Unpaid Balance: **$4,581.21**

Date of Payment	Unpaid Balance	Interest*	Time-Loss Schedule	Amount of Payment
11/15/16	**$4,581.21**	**-**	**$1,781.36**	**$1,781.36**
12/15/16	**$2,799.85**	**-**	**$1,781.36**	**$1,781.36**
1/15/16	**$1,018.49**	**-**	**$1,781.36**	**$1,018.49**

PPD on a Previous Claim

- Pre-existing awards will be reduced from a new award, **only if** it is for the same body part and rated at the same level
- TBI percentages can be subtracted from TBI percentages and category ratings from category ratings

PPD on a Previous Claim

- **Example**: Worker had a previous claim with a Cat 2 cervical PPD. Current claim is ready for closure with a Cat 3 cervical PPD. The new claim will close with a Cat 3 PPD, less the pre-existing Cat 2 cervical PPD.
- **Example**: Worker had a previous claim with a 4% right ankle impairment. Current claim is ready for closure with a 15% right ankle impairment. The current claim will close with a 15% right ankle PPD, less the pre-existing 4% PPD.
- **Example**: Previous claim closed with a 2% right upper extremity PPD for an elbow injury. Current claim is ready to close with an 8% right upper extremity PPD for a shoulder injury. The current claim will close without a reduction as the ratings were for different body parts.

Remaining Amputation Value (RAV)

- PPD cannot be paid for a body part that does not exist
- RAV must be calculated in the following cases:
  - If in the same injury, a worker sustains amputation as well as permanent disability at a level higher to the amputation level of the same extremity.
  - If a worker sustains impairment to an extremity and has a previous amputation to the injured extremity.
  - If a worker sustains a further amputation of an extremity.

Remaining Amputation Value (RAV)

- **Example:** The worker sustained an amputated index finger as a child. The worker now sustained a torn rotator cuff while working and was given a 6% RUE PPD rating.
  - When paying PPD, the SIE is not responsible for the index finger lost as a child; so the value of the finger should be deducted from the total upper extremity before calculating the 6% entitlement.

Remaining Amputation Value (RAV)

- Example: On 08/10/2007, in the same accident, a worker amputates their left index finger at the MCP joint and sustains a 10% impairment at the elbow.

Remaining Amputation Value (RAV)

1. Determine the value of the amputation using the PPD schedule in effect for the date of injury. In this scenario: **$22,866.45**
2. Calculate the RAV of the limb at the level of additional impairment by subtracting the value of the actual amputation from the limb's total value. In this scenario, total arm is **$101,628.57** less **$22,866.45**, equaling **$78,762.12 RAV**
3. Calculate the PPD award for the additional disability by multiplying the percentage rating given by the RAV. **10% X $78,762.12 = $7,876.21**
4. Pay both the amputation value and the disability value:

$22,866.45 + $7,876.21 = $30,742.66 Total award

Timely Payment of PPD

- When a claim is closed with PPD, the award, or first payment, must be paid:
  - Within 5 working days of claim closure by a self-insured employer
  - Without delay if the department closed the claim
- Regular Payments should be made according to the payment schedule

PPD Payments

- Workers may request advances of their award.
  - The department has no jurisdiction over this, and all requests should be addressed by the SIE
- For awards that are larger and scheduled to be made in payments, workers may request a lump sum payment (cash out).
- Only the department can approve cash out requests. Payment can be made when the closing order is final.

SIE PPD Closures

- Self-insured employers have authority to close their PPD claims if:
  - The worker returned to work for the same employer at comparable wages and benefits (at least 95% of wages and benefits at the time of injury)
  - No department order has been issued resolving a dispute or protest
  - If an IME was obtained for closing medical, it was sent to the AP, and 14 days were allowed for response

SIE PPD Closures

- Self-insured employers must send a closing order to the worker and attending provider.
- For medical only claims with PPD, use a form substantially similar to L&I form F207-165-000
- For time-loss or loss of earning power claims, use a form substantially similar to L&I form F207-164-000

SIE PPD Closures

- Information sent to the department:
  - Copy of SIF-2 if not previously submitted
  - Copy of PPD closing order
  - Complete and accurate Claim Closure Request form
    - Should indicate SIE closure in the appropriate box
  - Copy of Schedule of Future Payments, if applicable

SIE PPD Closures

- If there are pending requests for a department order, the SIE should not close the claim until the order(s) is issued
- SIE's cannot correct an order once it has been issued. If an error is discovered before the order becomes final, the SIE must request cancelation of the order by the department. Closure must then be requested from the department

SIE PPD Closures

- Self-insured employers **cannot** issue PPD closing orders that include a segregation of a pre-existing PPD, reduction of a previously paid PPD, or an overpayment
- Self-insured employer PPD closing orders must use the language as worded on the award schedule or WAC and indicate side of body if applicable
- If the rating is for the full extremity and the injured body part is at a lower level, add “This award is for permanent impairment to the (body part)” language on the closing order

Knowledge Check

Amputation of the left ring finger at the PIP joint if the DOI is 1/8/12.

Amount of award:

$7,944.54

Lump sum or down payment:

Lump sum ($7,944.54 < $12,040.50)

Category 4 for lumbosacral impairment for DOI 6/28/15.

Amount of award:

$29,566.59

Lump sum or down payment:

Down payment ($29,556.59 > $13,158.75)

Statutory Pension

- Injuries that result in the amputation or total paralysis of both legs, both arms, one leg and one arm, or total loss of vision, and the worker is able to work, **should not** be closed with a PPD award.

Structured Settlements

- Allow parties to settle Accident Fund (TL/PPD) benefits under a claim.
- Claim closes; worker receives scheduled payments.
- Worker may be a good candidate if unable to work and not interested in retraining.
- Worker should contact SIE/TPA if interested.

Structured Settlements

- To be eligible, the worker must:
  - Be at least age 50.
  - Have a claim that is over 180 days old.
  - Have a final and binding allowance order on the claim.

Structured Settlements

- Only parties who must agree to settlement are the worker (or representative) and SIE/TPA.
- BIIA must approve all agreements.
  - After approval, there is a 30-day waiting period before the claim is considered closed.
- If settlement approved, Department's Structured Settlement Unit will issue closing order.

Stipulations

- Both parties must be represented
- Send to the department:
  - Signed document agreeing to conditions
  - Stipulation cover sheet
  - Supporting medical documentation or declaration

Reopening Basics

- RCW 51.32.160
- Reasons workers apply for reopening:
  - Need surgery or additional treatment
  - No longer able to work
  - Believe they are eligible for disability

Reopening Basics

- Department has sole authority to determine if claims should be reopened.
- SIE/TPA must forward reopening application, and/or medical from a closed claim to the department within 5 working days of receipt.
- Aggravation or objective worsening of work-related condition must be present for claim to be reopened.

Reopening Basics

- Can be reopened for medical & disability benefits within 7 years of the date the first medically-supported closure or reopening denial became final.
  - Exception: 10 years for eye claims.
- Disability benefits include TL/LEP, Vocational benefits, PPD and Pension benefits.
- If reopened after 7 (or 10) years from first closure, payment of medical benefits only

Department Timeframes

- Covered by WAC 296-15-470
- A self-insured employer must forward an application to reopen a claim to the department within five working days of receipt.

Department Timeframes

- Take action within 90 days of date reopening app is received by SIE/TPA or department (RCW 51.32.160).
  - If no order issued, reopening will be deemed granted.
- Decision period can be extended 60 days for good cause.

What is good cause?

- Inability to schedule medical exam within 90 days.
- Legitimate failure of the worker to appear for a medical exam.
- Lack of clear or convincing evidence to support a reopening decision without an IME.
- Exam was scheduled within 90 days, but additional time needed to get the report and make a decision.

Formal vs. Informal Applications

Informal application:

- Worker submits request to reopen claim

  OR

- Medical documentation from a provider

Formal vs. Informal Applications

Formal application:

- Worker submits application to reopen claim

  AND

- Medical documentation from a provider

Example

- Worker completed and submitted their portion of the Reopening Application to the self-insured employer
- The self-insured employer sends the application to the department within 5 days of receipt
- This application is informal, as the provider portion has not been completed or hasn’t been received
- The provider portion is now received by the self-insured employer, who then sends it to the department. The department can proceed with the now formal application

Reopening Request without Medical

If the department receives a letter from the worker requesting reopening without a medical report, the adjudicator sends the worker:

- A reopening application.
- A letter explaining the required medical information must be returned within 60 days or the department will deny the reopening.

Reopening Request without Medical

- The 90 day clock begins to run from the date the department received the worker's letter requesting reopening.
- If the required information is not returned, an order and notice is issued denying the reopening for the reason: no medical documentation has been provided to the department as required by law.

Medical Info without Reopening Request

If the department receives medical information on a final and binding closed claim without a reopening request from the worker, the adjudicator sends the worker:

- A reopening application, and
- A letter explaining, if reopening is being requested, the required information must be returned within 60 days or the department will deny the request.

Medical Info without Reopening Request

- If the required information is not returned, an order and notice is issued denying reopening for the reason: no application for reopening has been made to the department by the worker as required by law.
- If medical information is received from a provider within 60 days of a closure order, showing treatment after the closure date, it should be treated as a protest to the closure.

Aggravation

- Aggravation is objective worsening of the worker's industrial related condition since the claim was last closed or ordered to remain closed (either by an affirming order or a reopening denial order).
- Criteria needed to prove aggravation:
  - A causal relationship between the accepted condition at the time of closure and the current condition.
  - Medical opinion that the condition has worsened.
  - Objective medical findings to substantiate the medical opinion.

Aggravation

Steps for determining aggravation:

- Compare the worker's current medical condition to the condition at closure by considering the provider's opinion, particularly if it is the same provider who treated the worker at the time of last closure.

If necessary, the department may:

- Provide a closing report to the provider asking for an opinion regarding objective worsening, or
- Authorize recommended diagnostic testing, or
- Obtain an independent medical examination.

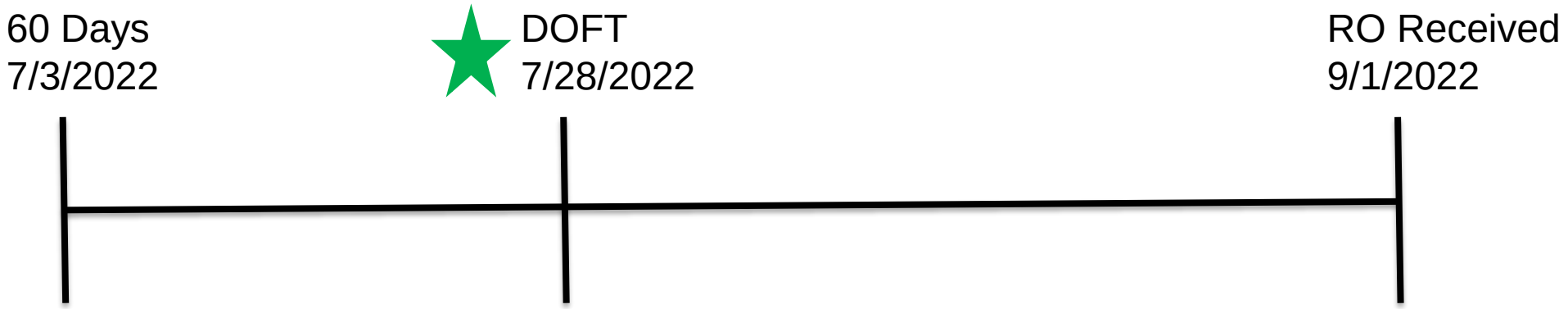
Newly Contended Conditions

- A worker may file a reopening application solely for a condition not previously accepted on the claim or for a worsening of an accepted condition and contend a new condition.
- When a medical condition unrelated to the injury is contended to be related, segregation of the unrelated condition should be addressed in the order denying or reopening the claim. There must be medical opinion to support the segregation.

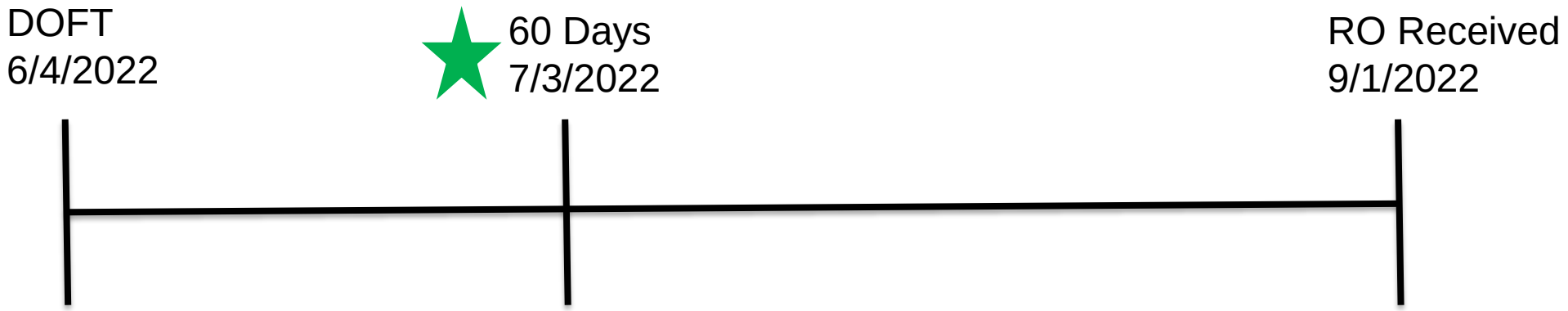
Reopening Effective Date

- Governed by RCW 51.28.040 and WAC 296-20-097
- The department has the authority to reopen a claim up to 60 days prior to the receipt of an application. The effective date of reopening cannot be before the date of first treatment or more than 60 days before receipt of a reopening request by the worker. Under certain circumstances, that can be extended to 120 days.

Reopening Effective Date



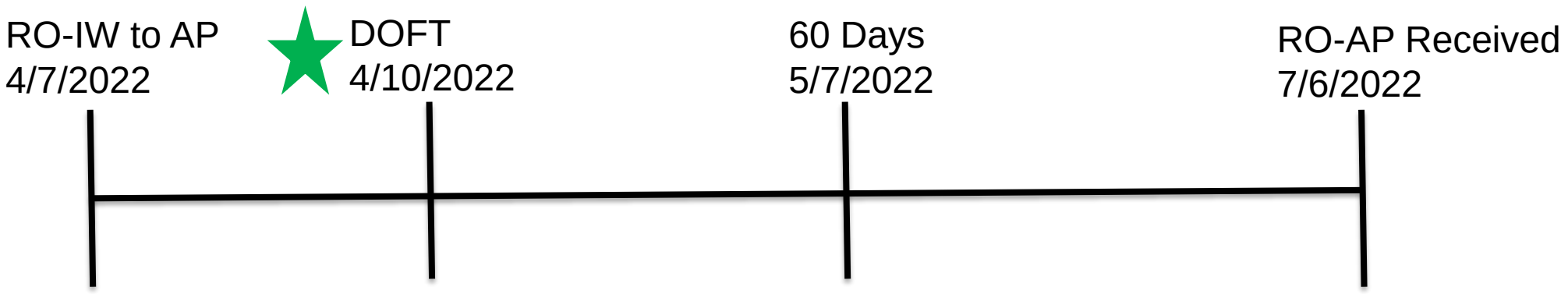
Reopening Effective Date



RCW 51.28.040

- Benefits will be allowed for periods up to 60 days prior to the receipt of application, or 120 days if:
  - The application was not received by the department or self-insurer within 60 days of medical services, due to a failure of the treating provider to timely complete or submit the provider information section of the application; **AND**
  - The worker demonstrates that their information section was completed and submitted via certified mail or electronic verification of receipt to the department, self-insurer, or the treating provider within 30 days of medical services.

Reopening Effective Date



Reopening Effective Date Practice!

The department received Suzy's completed reopening application on 1/15/2014. Her claim was closed on 5/6/2001 based on an IME. The medical reports show that the date of first treatment for the aggravation was 12/4/2013. You have determined that the claim should be reopened.

What is the reopening effective date?

12/4/2013

Reopening Effective Date Practice!

Rose's claim closed 2/4/11 with medical documentation. She signed the reopening application on 11/2/15, and her doctor signed it on 11/10/15. Her date of first treatment for the aggravation was 5/27/15. We received the application 12/1/15, and you decide to reopen the claim.

What is the reopening effective date?

10/2/15

Aggravation or New Injury

- It is not uncommon for a worker to apply for reopening of a claim after suffering an aggravation resulting from some activity or new injury.
- The adjudicator considers the opinion of the attending or examining provider regarding causal relationship, together with the reasonableness of the sequence of events described.

Non Work-Related Aggravation on PPD Claims

- When an award for permanent partial disability has been made on a claim, an additional test is applied.
- An off the job injury could constitute reopening of the claim.
- The test to be applied, is whether the activity which caused the aggravation is something the claimant might reasonably be expected to be doing, or whether it is something that one with their disability would not reasonably be expected to be doing.

New Exposure Occupational Disease Claims

- When a reopening application is filed on an occupational disease claim, the department must determine if the original exposure is responsible for the aggravation or there has been new exposure.
- In general, if the worker has returned to work and the repetition of job duties caused the aggravation a new claim should be filed.

Payment of Benefits

Medical Services:

- WAC 296-20-097 requires payment for the provider who examined worker & completed reopening application.
- Necessary exams and diagnostic tests are covered whether or not claim is reopened.
- Treatment not covered unless claim is reopened.

Payment of Benefits

Provisional Time-Loss/LEP

- Provisional benefits must be paid if certification received.
- Guidelines for provisional benefits:
  - SIE/TPA must pay within 14 days of receipt of certification.
  - Benefits not paid prior to receipt date of application.
  - Only paid for accepted conditions.
- If reopening is denied and provisional benefits were paid, overpayment can be assessed.

Over 7 (10) reopenings

- Claims closed over 7 years can only be reopened for medical benefits.
- Same criteria for reopening aggravation applies.
- 7-year clock doesn’t start if closure or reopening denial was not medically-supported.
- For claims closed between 7/1/81 and 7/1/85, first closure date is considered 7/1/85 per RCW 51.32.160(1).

Medical Benefits

- Claims closed over 7 years (10 years for eye claims) can be reopened any time for medical benefits using the same criteria that applies to claims closed under 7 years.
- If the claim does not meet the criteria for reopening, the department will issue an order and notice denying the reopening.
- If the claim can be reopened and time-loss is not an issue, the department will issue an over 7 reopening order and notice for medical benefits.

Disability benefits

- Provisional time-loss or LEP is not payable on an over 7 reopening.
- The director has discretion to grant disability benefits (time-loss, LEP, vocational services, PPD and total permanent disability) on over 7 year reopenings.
- Disability benefits can be contended at any time during the reopening process or after the claim has been reopened.

Determining 7 Year Time Limit

- The department must determine if reopening was received more than 7 years after the first medically documented closure or reopening denial became final.
- The 7 year time limit begins with a medically recommended closure or reopening denial.

Determining 7 Year Time Limit

The date the order became final is determined by:

- Counting 7 years plus 60 days from the closing order if no protest or appeal was filed; or
- Counting 7 years plus 60 days from the affirm order if no appeal was filed; or
- Counting 7 years from the date of the last Board or court decision or judgment if the closing was appealed.

Knowledge Check

What RCW governs reopenings?

RCW 51.32.160

Can a self-insured employer reopen a claim?

No.

The department has sole authority to determine if claims should be reopened.

How long after notification does a self-insurer have to send a reopening application to the department?

The SIE/TPA must forward reopening application to department within **5 business days of receipt.**

How many days does the department have to make a determination on a reopening application?

90 days

The time may be extended another 60 days with good cause.

Betty injured her low back lifting a computer at work on 10/3/07. She received chiropractic treatment and based on an IME with AP concurrence, her claim closed 11/25/08 with no PPD. On 2/2/09 she tripped on a computer cable at work. Betty went to the doctor two days later. Her chiropractor completed a reopening application stating she aggravated her low back, and provided objective findings for a worsening of her low back condition.

Reopening

New Claim

Why? **Tripping on 2/2/09 is a new incident and a new claim needs to be filed.**

Gary fell at work and broke his right ankle on 1/5/06. He had surgery and they put pins in the ankle. His physician released him to work, and his claim closed 5/10/07 with a 10% PPD to the right ankle. He went back to his physician on 10/12/07 because of increased pain from standing and walking. After his examination and further testing, it was determined that the pins were loose and needed to be removed. His physician filed an application to reopen his claim.

Reopening

New Claim

Why? **Worsening of his condition, no new incident.**

Rebecca was injured at work on 4/15/08 when she slipped on the bathroom floor and sprained her left ankle. She had physical therapy and was determined to be at MMI by her physician. Her claim closed 9/10/08 with no PPD. On 10/25/08, her self-insured employer received a reopening application and sent it to the department. Her physician requested her claim be reopened, stating she had increased swelling and further testing found a small fracture.

Reopening

New Claim

Why?

Neither, the reopening application was received within 60 days of the 9/10/08 closing order and should be considered a protest to the closure.

Is it an over seven?

First claim closure: 6/7/1979 Without medical

Claim reopened: 5/1/2007

Is this an over seven? **YES**

Because the first closure was prior to 7/1/1981, it does not matter that the claim was closed without medical documentation.

Is it an over seven?

First claim closure: 9/1/2005 With medical (protested)

Closure affirmed: 12/2/2005 (Appealed)

BIIA upheld closure: 4/7/2006

Claim reopened: 4/14/2013

Is this an over seven? **YES**

The 7-year clock began to run on the date of the BIIA order, because no additional time is counted for a protest or appeal.

Is it an over seven?

First claim closure:	5/2/2007	Without medical
Reopening denied:	8/4/2012	With medical
Claim reopened:	7/12/2016	

Is this an over seven? **NO**

The 7-year clock did not start until 8/4/2012 + 60 days because the first closure was not medically-supported.

Resources

- L&I self-insured section – self-insured main-page
  https://lni.wa.gov/insurance/self-insurance/about-self-insurance/

- Claims Adjudication Guidelines (CAG) – Reopenings, Claim Closures and PPD
  https://lni.wa.gov/insurance/_docs/CAGReopenings.pdf

- Forms and Templates – Reopening Application
  https://lni.wa.gov/forms-publications/F242-079-000.pdf

Questions?

- Claim-specific questions: Call 360-902-6901 and ask for the claim adjudicator assigned to the claim.
- General claim questions: email us at SITrainerquestions@lni.wa.gov