SWIF	**Closing Full Compromise and Release (C&R) Payments**	Document No. CLM-405-A
		Effective Date 3/24/06
		Revision Date 3/22/06
		Revision No. 1.0
		Page No. 1 of 7
		Approval *Marisue E. Newman* (Name) *Director* (Title)

1.0 Purpose

A. This procedure establishes guidelines for closing Full Compromise and Release (C&R) Payments.

B. This procedure begins when the batch process has run at the end of the actual C&R Payment.

C. This procedure ends when the status of the claim is set to Closed/Inactive and saved.

2.0 Revision History

Date	Revision No.	Change	Ref Section
3/22/06	1.0	New Procedure	Not Applicable

3.0 Persons Affected

A. All employees within the Claims Division.

B. All employees within the Field Operations Division.

4.0 Policy

A. CLM-405 Compromise and Release (C&R) Payment Policy

5.0 Definitions

A. AQ Letter – an Account Quotient Letter, also called a Statement of Account, which details what has been paid on a claim, including but not limited to indemnity, medical, interest, penalties, and funeral benefits.

B. Allocation – the act of dividing up the balance of funds to the appropriate party or parties.

C. Auto-close Process for Settlement Claims – this PowerComp Report "CLMR0044_01" lists C&Rs that were paid on the prior day and was previously known as Cypress Report "CLB1158".

D. BWC – the Bureau of Workers' Compensation, located in Harrisburg, which oversees every company in the state of Pennsylvania that writes workers' compensation policies. All documents pertaining to these policies are maintained here.

E. C&R – an acronym for the claim settlement process "compromise and release", also referred to as a Settlement Agreement. The C&R process ends the workers' compensation benefits and releases SWIF from resolving the claim in its entirety.

F. Closed Accept – a claim status that disallows future indemnity payments to be made on the claim, but allows for the continuation of medical payments.

G. Closed Inactive – a claim status that closes all indemnity payments as well as medical payments.

H. Full C&R (Compromise and Release) – complete release of SWIF's liability for all indemnity and medical benefits in connection with a work related injury. The term can apply to both the C&R Settlement Agreement as well as the process itself.

I. Judge's Order – the document issued by the compensation judge that grants the C&R.

J. Payment Breakdown Letter – a document created from a Microsoft Word template that is sent to the claimant and their attorney detailing the final settlement payment breakdown.

K. Settlement – a one-time lump sum compensation payment that results in the closing of a compensation claim.

6.0 Responsibilities

6.0.1 Claims Examiner

A. Review the daily PowerComp report CLMR0044_01 "Auto-close Process for Settlement Claims" for Closed C&Rs whose status is anything other than Closed/Inactive, and determine which claims must be closed.

1. Ensure the claim's status is adjusted accordingly.

6.0.2 Claims Reviewer

A. Complete the C&R closing process by setting appropriate status changes, as well as medical and indemnity payment end dates.

7.0 Procedures

7.0.1 Claims Examiner	
A. Review the daily PowerComp report CLMR0044_01 "Auto-close Process for Settlement Claims" for Closed C&Rs whose status is anything other than Closed Inactive, and note claims whose status should be changed accordingly.	*See Appendix A*
1. Set the status of these claims to Closed Accept / C&R Full, or instruct the appropriate Claims Reviewer (based on claim digits) to perform the task.	*See Appendix B*
2. If performing the above task, send a diary link to the appropriate Claims Reviewer (based on digits) pended for 90 days past the medical payment end date to ensure that all medical bills that pertain to this claim have been paid.	*See Appendix C*
7.0.2 Claims Reviewer	
A. After the batch process has completed for the C&R that is to be closed, change the claim status in PowerComp to Close Accept/ C&R Full.	*See Appendix B*
B. Send a diary link to yourself pended for 90 days past the medical payment end date to ensure that all medical bills that pertain to this claim have been paid.	*See Appendix C*
C. Once the 90-day timeframe has expired for the pended diary link, change the claim status to Closed Inactive / C&R Full.	*See Appendix B*

APPENDIX A: Form
POWERCOMP REPORT CLMR0044_01 "AUTO-CLOSE PROCESS FOR SETTLEMENT CLAIMS"

REPORT NUMBER: CLMR0044_01
PAGE: 1 of 6
OLD REPORT NUMBER: CLB1158

STATE WORKERS' INSURANCE FUND
AUTO CLOSE PROCESS FOR SETTLEMENT CLAIMS
01-AUG-05 To 31-AUG-05

BUSINESS DATE: 08/25/2005
RUN DATE: 08/25/2005
RUN TIME: 05:21:48 PM

10/6/2005 00006229

Unit No 01 Stasky, George

Claim Number	Plan Type		Inj Year	Creation Date	Claimant Name	Claim Status	Comp Reserves	Settlement Paid	After Settlement	Med Reserves	Total Saving
01217005	indm	cr_ful	1993	02-AUG-05	ARCIDIACONO, VINCENT	CLOSED	406057.14	70000	-118507.14	675313.93	556806.79
							406057.14			675313.93	
							0			0	
Policy Typ	CM			Reason	C&R Full				District Office	DO1	
01217005	indm	cr_ful	1993	02-AUG-05	ARCIDIACONO, VINCENT	CLOSED	406057.14	70000	-70000	675313.93	605313.93
							406057.14			675313.93	
							0			0	
Policy Typ	CM			Reason	C&R Full				District Office	DO1	
01427097	indm	cr_ful	2002	05-AUG-05	GOODSON, VIKKI	OPEN	8000	7500	-7000	5000	-2000
							7500			2703.64	
							500			2296.36	
Policy Typ	CM			Reason	C&R Full				District Office	DO1	
01447672	indm	cr_ful	2003	11-AUG-05	FRIERSON, KENNETH	OPEN	69773.21	37325	-38000	15675.49	-22324.51
							69773.21			15675.49	
							0			0	
Policy Typ	CM			Reason	Claim Comment				District Office	DO1	
01480948	indm	cr_ful	2004	11-AUG-05	SEISLOVE, EDWARD	OPEN	18000	15000	-12000	4000	-8000
							15000			100	
							3000			3900	
Policy Typ	CM			Reason	C&R Full					DO1	

APPENDIX B: Standard Operating Procedure (SOP)
CHANGING THE STATUS OF A CLAIM IN POWERCOMP FOR A FULL C&R

Prerequisites

This SOP assumes all of the following:

- ✓ PowerComp is already open.
- ✓ The correct claim is already open.
- ✓ The C&R payment has already been processed and batch has run.

Step	Action
1.0	**Navigate to the Change Claim Status Window.** A. *Menu Bar*: **Edit > Change Status**
2.0	**Change the status of the claim.** A. **Transition**: • Immediately following payment verification: "Closed Accept" • Once the 90-day diary link period has expired: "Closed Inactive" B. **Reason for Status Change**: "C&R Full" C. Click **OK** button. D. **SAVE** changes: (*Keyboard*: CTRL+S, or *Menu Bar*: **File > Save**).

APPENDIX C: Standard Operating Procedure (SOP)
SENDING A PENDED DIARY LINK IN POWERCOMP FOR A CLOSED C&R

Prerequisites

This SOP assumes all of the following:

- ✓ PowerComp is already open.
- ✓ The correct claim is already open.
- ✓ The Status Window is already open.
- ✓ The status of the claim has been changed to "Closed Accept".

Step	Action
1.0	**Navigate to the Diary Window.** A. *Menu Bar*: **Tools** > **Create Linked Diary**
2.0	**Compose and send the diary link.** A. **To / Employee**: Assigned Claims Reviewer B. **Priority**: "Medium" C. **Pend**: "90 Days" D. **Memo**: "Review and change status to Closed Inactive if applicable" E. Click **OK** button.