



C.L. "BUTCH" OTTER, GOVERNOR

# IDAHO INDUSTRIAL COMMISSION

PO Box 83720  
Boise, ID 83720-0041  
(208) 334-6000 - FAX (208) 334-2321  
1-800-950-2110

COMMISSIONERS  
R.D. Maynard, Chairman  
Thomas E. Limbaugh  
Thomas P. Baskin  
  
Mindy Montgomery, Director

October 15, 2009

To All Idaho Workers' Compensation Insurers

Re: **In-State Adjusting Requirements**

In November 2001, the Industrial Commission provided to all in-state adjusters a letter of advice, pointing out certain requirements for adjusters in the State of Idaho. Of particular emphasis were provisions requiring that adjusting decisions be made by in-state claims examiners.

Due to the time that has elapsed since the letter first went out, and the additional resource pressures felt by all of us, the Commission has determined that reissuance of the letter at this time will serve as a prudent reminder of these requirements.

The following list, though not exclusive, illustrates areas of ongoing concern:

1. All aspects of handling and adjusting workers' compensation claims, including investigation and interviews, must be conducted by an **Idaho licensed in-state adjuster** or by an in-house in-state adjuster. In-state adjusters must have full decision-making authority, including but not limited to, acceptance or denial of claims, authorization of and payment for medical treatment, and payment of income benefits. Requiring the use of a toll free number reaching an out-of-state individual to resolve issues involving any aspect of the handling of a claim is prohibited.
2. Decisions on the medical management of workers' compensation claims must be made by the insurer through its in-state licensed adjuster or by an in-house in-state adjuster, and not by a case management nurse, whether they are inside or outside the state. This does not preclude adjusters from consulting with healthcare specialists or nurse case managers.
3. Written communications from medical providers and others involved in a claim and all forms and reports required by law or rule must be distributed through the in-state adjuster.

4. All benefit checks must be **issued** by the in-state adjuster and be **drawn** on an Idaho bank unless the insurer has applied for and received an approved written waiver from the Industrial Commission allowing checks to be written out of state. A waiver allowing issuance of checks from an out-of-state source does not confer authority to adjust or handle any aspect of a workers' compensation claim from an out-of-state location. The waiver pertains to check issuance only.

5. If a waiver is granted for **issuance of benefit checks** from a location outside the state of Idaho, the in-state adjuster must retain full authority and ability to do the following:

- a. Obtain instant access to the current electronic or computer payment history and records and the ability to reproduce such records in its in-state office;
- b. Complete the data input that results in the issuance of a benefit check.

6. "Fronting" will not be permitted. This includes but is not limited to the practice of maintaining an in-state adjuster who does not have full authority to make decisions regarding the acceptance or denial of claims, full authority over medical treatment and payment, and full authority to issue checks.

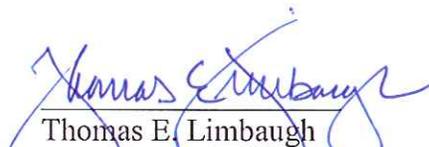
7. Change of Status notices to the claimant must be sent within fifteen days of the effective date of the change, copied immediately to the IC, and, when applicable, a copy of the medical report that is the basis for the change must be attached.

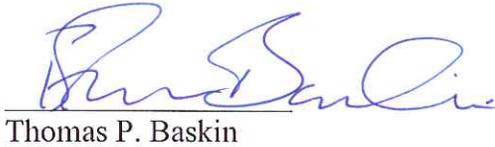
Complete information regarding the claims adjusting requirements for Idaho is available on the internet at the following site: [www.iic.idaho.gov](http://www.iic.idaho.gov). There are links on this site to the Industrial Commission's Administrative Rules and to the Idaho Workers' Compensation Law.

We appreciate your cooperation and attention to these matters as we all strive to maintain the integrity of Idaho's excellent workers' compensation system.

Sincerely,

  
R. D. Maynard  
Chairman

  
Thomas E. Limbaugh  
Commissioner

  
Thomas P. Baskin  
Commissioner