

Summary

Workers' Compensation Claims Adjuster Regulations

As a result of AB 1262 (Matthews), which was passed by the legislature and became law in January 2004, the Commissioner is required to establish regulations requiring all insurers to certify to the Commissioner that they have met the minimum standards of training and/or experience for all claims adjusters and medical bill reviewers. As a result, effective February 22, 2006, all insurers will now be required to comply with Article 20 (commencing with Section 2592) of Subchapter 3, Chapter 5, of Title 10 of the California Code of Regulations.

“Insurer” Defined

An insurer is defined in the statute (IC Section 11761) to include insurance companies, self-insured employers and third-party administrators. Insurers do not include medical billing entities that review medical bills for insurers. However, medical billing entities are defined by the statute to be a third-party that reviews or adjusts workers' compensation medical bills for insurers.

Certification

Each insurer shall certify to the Insurance Commissioner annually on or before July 1st that they have complied with the requirements established by these regulations. Certification forms can be found in the regulations and at the Department of Insurance website.

Training and Designation

The regulations establish the training or experience requirements necessary for claims adjusters, medical-only claims adjusters, and medical bill reviewers to have in order to handle workers' compensation claims in California. Failure to meet the training or experience requirements results in the inability of those persons to be able to adjust workers' compensation claims on behalf of an insurer.

A person who meets the training or experience requirements to adjust workers' compensation claims or review medical bills is required to receive a Designation from an insurer. This Designation is transferable from one insurer to another. Medical billing entities may also provide Designations so long as the insurer is able to confirm the Designations and obtain copies of the Designation Form.

For those that do not meet the requisite experience requirements, a claims adjuster, medical-only claims adjuster, or medical bill reviewer is required to take a minimum number of hours of training in specified curriculum topics to receive their Designation.

A Claims Adjuster is required to have at least 160 hours of training with 120 hours being conducted in a classroom with an instructor.

A Medical-Only Claims Adjuster is required to have at least 80 hours of training with 50 hours being conducted in a classroom with an instructor.

A Medical Bill Reviewer is required to have at least 40 hours of training with 30 hours being conducted in a classroom with an instructor.

Experience

A person may be able to receive a Designation without training and adjust workers' compensation claims or review medical bills based on their experience.

An Experienced Claims Adjuster must meet one of the following requirements:

- Have five (5) years in the last eight (8) years of on-the-job experience adjusting California workers' compensation claims; or supervising claims adjusters handling workers' compensation claims; or
- Successfully completing the Self-Insurance Exam written examination (specified by Title 8, Section 15452 of the California Code of Regulations) and have either (1) worked as a claims adjuster or supervisor of workers' compensation claims continuously since passing the examination, or (2) passing the exam within the previous five years.

An Experienced Medical-Only Claims Adjuster must meet the following requirements:

- Have at least 3 years in the past 5 years of on-the-job experience adjusting California workers' compensation medical-only claims.

An Experienced Medical Bill Reviewer must meet the following requirements:

- Have at least 3 years in the past 5 years of on-the-job experience adjusting California workers' compensation medical bills.

Post-Designation Training

Following Designation as a claims adjuster, medical-only claims adjuster or medical bill reviewer, either through training or experience, that person is required to have ongoing education to be completed every two years to be able to continue to adjust claims or review medical bills. The post-designation training must be on curriculum topics noted in the regulations and changes in the law. Post-designation training does not have to be classroom instruction and can take many forms, including seminars and workshops. The post-designation training requirements for the various Designations are as follows:

- Claims adjusters must complete 30 hours of training every two years.
- Medical-only claims adjusters must complete 20 hours every two years.
- Medical bill reviewers must complete 16 hours of training every two years.

Maintenance of Records

Insurers are required to maintain copies of the Designation and Post-Designation Forms of all trained and/or experienced claims adjusters, medical-only claims adjusters, and medical bill reviewers that are working on their behalf. Insurers must maintain copies of the Designation Forms for as long as those individuals work for them or on their behalf and for five years thereafter. The insurers do not need to and should not submit the Designation Forms to the Department of Insurance. However, upon request, all Designation forms must be made available to the Insurance Commissioner or Administrative Director. Policyholders and injured workers whose claims are being adjusted can request copies of an adjuster's or medical bill reviewer's Designation Form to verify their qualifications to adjust the claim.

Frequently Asked Questions

Q: When did the workers' compensation claims adjuster training take effect?

A: The regulations defining the minimum training requirements for workers' compensation claims adjusters and medical bill reviewers became effective on February 22, 2006.

Q: What are the training requirements for a workers' compensation claims adjuster?

A: An individual can be designated a claims adjuster, medical-only claims adjuster or medical bill reviewer by meeting the experience or the training requirements. For those that do not meet the requisite experience requirements to be designated a claims adjuster, medical-only claims adjuster, or medical bill reviewer, the minimum number of hours of training in specified curriculum topics are as follows:

Claims adjusters = 160 hours of training (120 hours in a classroom with an instructor).

Medical-Only Claims Adjusters = 80 hours of training (50 hours in a classroom with an instructor).

Medical Bill Reviewers = 40 hours of training (30 hours in a classroom with an instructor).

Q: How do I qualify as an experienced claims adjuster or medical bill reviewer?

A: A person may be able to adjust workers' compensation claims or review medical bills based on their experience.

An Experienced Claims Adjuster must meet the following requirements:

- Have five (5) years in the last eight (8) years of on-the-job experience adjusting California workers' compensation claims; or supervising claims adjusters handling workers' compensation claims.
- Successfully completing the Self-Insurance Exam written examination (specified by Title 8, Section 15452 of the California Code of Regulations) and have either (1) worked as a claims adjuster or supervisor of workers' compensation claims continuously since passing the examination, or (2) passing the exam within the previous five years.

An Experienced Medical-Only Claims Adjuster must meet the following requirements:

- Have at least 3 years in the past 5 years of on-the-job experience adjusting California workers' compensation medical-only claims.

An Experienced Medical Bill Reviewer must meet the following requirements:

- Have at least 3 years in the past 5 years of on-the-job experience adjusting California workers' compensation medical bills.

Q: If a person has been a workers' compensation claims adjuster or a medical bill reviewer for many years, does that adjuster or medical bill reviewer need to complete the training?

A: It depends on whether or not they meet the experience requirements as outlined in the question above. If they do not meet the requisite experience criteria, they must complete the training. Once designated, they must continue to meet the post-designation training requirements to be able to continue to be authorized to adjust claims or review medical bills.

Q: Are adjusters who are not licensed by the California Department of Insurance required to complete the adjuster training? If yes, what are the requirements?

A: Workers' compensation claims adjusters and medical bill reviewers are not licensed under these regulations. However, these regulations apply to all claims adjusters and medical bill reviewers who handle California workers' compensation claims.

Q: Are claims adjusters required to complete workers' compensation training again if they leave the industry or haven't adjusted claims in a long time?

A: If they meet the requisite experience requirements, claims adjusters do not have to complete or repeat the training requirements. If they do not meet the requisite experience criteria, they must complete the training. Once designated, they must continue to meet the post-designation training requirements to be able to continue to be authorized to adjust claims.

Q: How frequently does a claims adjuster or medical bill reviewer need to complete the training?

A: The claims adjuster or medical bill reviewer only needs to complete the initial training one time if they do not meet the experience requirements. However, they must continue to complete the post-designation training requirements.

Q: Where can a claims adjuster or medical bill reviewer sign-up for the training?

A: The insurer is responsible for the initial training of claims adjusters and medical only claims adjusters and providing Designations. The insurer may also train and provide Designations to their medical bill reviewers or have a medical billing entity train and provide Designations. Post-Designation training can be taken through other entities that provide classes, seminars, or workshops, but it will be up to insurers to document the post-designation training and issue Post-Designation Training Forms once the requisite hours of post-designation training are completed. However, the adjuster should consult the insurer they work for as to their recommendation for training.

Q: Does an insurer that employs adjusters or medical bill reviewers need to complete the certification to the Insurance Commissioner each year?

A: Yes. The statute and regulations specify that all insurers must certify annually to the Insurance Commissioner that those individuals adjusting claims and medical bills on their behalf have met the minimum training or experience requirements established by the Commissioner through the Regulations.

Q: What does an insurer, self-insured employer, or third-party administrator who employs claims adjusters or medical bill reviewers have to do to meet the workers' compensation claims adjuster regulation requirements?

A: Train their claims adjusters and medical bill reviewers according to the regulations. Make sure they are appropriately designated. Maintain the documentation of training and designation. Certify annually to the Commissioner by July 1st regarding their compliance with the Regulations.

Q: How long does an insurer have to maintain records of their employees?

A: Insurers must maintain copies of the Designation Forms of those adjusting claims or reviewing medical bills on their behalf for as long as those individuals work for them and for five years thereafter.

Q: Should an insurer submit their Designation Forms to the Department of Insurance?

A: No. Insurers do not need to and should not submit the Designation Forms to the Department of Insurance. Insurers should only submit the Certification Form annually to the Insurance Commissioner by July 1st.

Q: Where do the insurers submit the Annual Certification Forms?

A: They should submit them to: California Department of Insurance, Producer License Bureau – Education Section, Attention: Annual Certification of Claims Adjusters and Medical-Only Claims Adjusters (or Medical Bill Reviewers), 320 Capitol Mall, Sacramento, CA 95814. This information is found on the forms which are available on the Department of Insurance website.