What is Workers’ Compensation?
It is a program required by state statute that provides medical benefits and disability compensation, including compensation for lost work time, to employees who are injured on the job as the result of an accident or who develop a work-related occupational illness. The purpose of the program is not only to provide remedies for injured employees but also to insure limited and determinate liability for the employer.

Who Administers the Workers’ Compensation Program and Related Responsibilities?
There are responsibilities at both the state and university level. At the state level, the North Carolina Industrial Commission (a division of the Department of Commerce) is responsible for collecting and maintaining statewide records and data for all employers, both public and private, and for hearing appeals and disputes. The Commission also enforces all program legislation and determines the fee schedule for medical payments and the compensation rates and limits provided by the program.

The Attorney General’s Office represents the State as the employer in all legal matters including disputed cases, lawsuits, settlements, and clincher agreements (which are negotiated agreements between injured parties and the State).

The Risk Control Services Division of the Office of State Personnel administers the State Government Workers’ Compensation Program at the state level and ensures that the policies developed and benefits provided by state government employers are appropriate, equitable, and conform to the provisions of the Workers’ Compensation Act. The office serves as a technical resource to agencies providing guidance and assistance to administrators and employees when questions or problems arise and coordinates services between agencies and the third party administrator (CorVel Corporation), as well as, monitoring and evaluating the services of the third party administrator (TPA). This office periodically audits agencies and universities’ records and reviews their policies and procedures and evaluates the effectiveness of their programs. This office also maintains a statistical database summarizing statewide expenditures and injuries.
The TPA (CorVel Corporation) is responsible for review of claims, for accepting or denying liability for the State, for monitoring and processing claims and for paying benefits and compensation.

At the University level, the responsibilities are shared among the workers’ compensation administrator, the supervisor and the employee. It is the responsibility of the injured employee to report any possible workers’ compensation related claims. Employees should inform the supervisor and the workers’ compensation administrator immediately if a work-related injury occurs. Verbal notification should be followed by completion of the required “Report of Injury” Form 19 and the State Government Workers’ Compensation Program form. Employees must also agree to abide by the rules and regulations which govern the program including receiving treatment from designated providers.

Supervisors are responsible for (1) informing employees about workers’ compensation; (2) making sure that injuries or illnesses are reported to the administrator and required forms are completed; (3) knowing how to direct employees for treatment; and (4) following up and helping expedite the processing of claims.

The workers’ compensation administrator is responsible for ensuring effective processing and monitoring of all claims, funding and expediting payment of approved medical treatment and compensation for lost wages, communicating policies and procedures to employees, assisting with settlement agreements, and fulfilling required reporting of claims to the TPA and/or Industrial Commission. The administrator also serves as an information resource to injured employees, supervisors, and the TPA.

**Who is Eligible for Workers’ Compensation?**

Any employee, whether full time or part time, temporary or permanent, including those performing services on a per diem or fee basis.

**What Coverage is Provided?**

If an employee suffers an accidental work-related injury or contracts an occupational disease within the meaning of the Workers’ Compensation Act, he or she is entitled to medical benefits, compensation for lost work time and compensation for any disability resulting from the injury.

**What is a Compensable Injury?**

An injury caused by an accident or the result of a special traumatic incident that arose out of employment and was sustained in the course of employment is a compensable injury. An accident is defined in the law as a separate event preceding and causing the injury. Injuries sustained in the absence of an accident are not compensable.
**What is an Occupational Disease?**

A disease proven to be due to causes and conditions that are characteristic of a particular occupation or employment and the exposure is greater than that of the general public outside of the employment. Only those occupational diseases specifically designated in the N.C. Workers’ Compensation Act are compensable.

**What are the Workers’ Compensation Benefits?**

If a claim is compensable, the program provides medical benefits for treatment of the injury including medical, surgical, hospital, nursing services, sick travel, prescription drugs, and rehabilitation services which are prescribed by the treating physician. Payments for all medical benefits are subject to approval based on a fee schedule established by the N.C. Industrial Commission. Only the amount allowed by the fee schedule can be paid to providers for workers’ compensation services.

If the injured employee is instructed by the physician not to return to work after receiving treatment for an injury on the day of the injury, no leave time is charged for the time missed. If additional time away from work is authorized by the treating physician, the employee is placed on workers’ compensation leave and begins a waiting period of seven calendar days before compensation for lost work time is payable. During the waiting period, the employee may use accrued sick leave, vacation leave, or leave without pay. The employee must indicate on the form submitted with the accident report how leave is to be used during the waiting period. If the injury requires absence from work (as authorized by the physician) for more than the seven-day waiting period, then the employee is placed on leave without pay and must begin receiving the workers’ compensation weekly benefits.

The benefit for lost wages is equal to 66 2/3% of the employee’s average weekly earnings during the 52 weeks prior to the date of the injury up to a maximum established by the N.C. Industrial Commission each year. Employees may supplement this weekly benefit by using partial increments of accrued sick or vacation leave in accordance with a leave schedule determined by the Office of State Personnel each year. Payment for this partial leave is considered temporary pay and is paid like other temporary wages.

Since employees on workers’ compensation are placed on leave without pay, there are no deductions made from the compensation payments. Employees are responsible for making arrangements for these payments while on leave without pay. The continuation of benefits while on workers’ compensation leave without pay is outlined as follows:

1. Vacation and sick leave continue to accumulate and are credited to your account for use upon return to work.
2. Health insurance coverage continues and the State pays the employee premium. The employee must pay premiums for any dependent coverage directly to the employer.
3. Longevity credit continues and employees receive annual payments, if eligible.
4. Retirement service credit does not continue but employees may purchase credit for the period of approved leave. If requested, the Retirement System will provide a statement of the cost and the date by which purchase must be made.

5. Performance increases that would have been awarded if the employee had been working (as well as any other general increases such as legislative increases) may be granted upon reinstatement.

The employee may be authorized by the physician to return to work prior to reaching maximum medical improvement. If additional medical treatment, therapy, or follow-up visits are required during scheduled working hours, no leave time should be charged for the time lost from work for the required treatment. A reasonable amount of travel time is also allowed.

When the employee has been released by the treating physician to return to work, there are three possible return to work situations:

1. The employee has reached maximum medical improvement (the point at which no substantial further improvement is expected) and is released to return to the previous position or one of like seniority, status and pay held prior to the workers’ compensation leave.

2. The employee has not reached maximum medical improvement but is ready to return to limited duty. The employee is unable to perform all the functions of the previous position but is able to perform light or limited duty. The employer provides a work assignment suitable to the employee’s capacity as a temporary assignment not to exceed 90 days. When the employee reaches maximum medical improvement (as determined by the physician), the employee returns to the previous position and duties or one of like status.

3. The employee has reached maximum medical improvement but has a disability that prohibits employment in the previous position. The employer will attempt to find another position suitable to the employee’s capacity. If such a position is not available, the employee will be appointed to the first suitable vacancy should one occur. If a suitable vacancy is not available, the employee will be referred to the Office of State Personnel for possible return to work in another agency/university. Reemployment efforts to place the employee will continue for 12 months. If an employee refuses suitable employment in keeping with the employee’s capacity, the employer will discontinue compensation and implement dismissal procedures.

Other workers’ compensation benefits include payments for permanent or partial disabilities to specific parts of the body. These payments are based on a schedule of amounts determined by the N.C. Industrial Commission. The program also provides death benefits payable to the dependents of an employee who dies as a result of a work-related accidental injury or occupational disease.
Overview of the Report of Injury (Form 19) and the State Government Workers’ Compensation Program Employee Statement and Use of Leave Options Form

These forms should be completed as soon as possible after an on-the-job injury has occurred. The employee should complete the forms and give them to the supervisor to review, sign, and forward to the Workers’ Compensation Administrator for processing to the third party administrator and for internal record keeping and tracking purposes. The Form 19 should be signed by the supervisor. The Employee Statement side of the State Government Workers’ Compensation Program form should provide a truthful and accurate description of the accident and the cause (in the employee’s own words). The Use of Leave Options side should be completed and signed by the employee and approved by the supervisor. These options will apply if the claim is compensable and the employee experiences more than one day of lost work time due to the accident/illness.

What are the Most Important Points to Remember?

1. If you or an employee in your department is injured on the job as the result of an accident, report the injury to the supervisor and workers’ compensation administrator;
2. Seek medical attention immediately in case of an emergency or as directed to a preferred provider by the employer;
3. Inform the treating physician that the services should be billed as workers’ compensation – not as a health insurance claim, give the provider the correct name and address of your employer for billing purposes;
4. Complete the Form 19 Report of Injury and State Government Workers’ Compensation Program form and give it to your supervisor to complete and forward to the workers’ compensation administrator for processing to the third party administrator;
5. Follow the physician’s instructions and treatment plan and any recommendations made by the case manager, and contact your supervisor or workers’ compensation administrator if you have questions.

Other Resource Information

More detailed information can be found at the Office of State Personnel website for Risk Control Services, the Workers’ Compensation Employee Handbook or the SPA Policy Manual.

Risk Control
www.osp.state.nc.us/emprsk/workcomp.htm

Workers’ Compensation Handbook
http://www.osp.state.nc.us/emprsk/wc/handbook/bk-intro.html

SPA Policy Manual
http://www.northcarolina.edu/content.php/hr/policies/SPABenefits&Awards.htm