

# Workers compensation in california research paper examples

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## **Interview**

This interview was conducted through email. The respondent was Jacky Mills, a deputy public relations officer at California Workers Compensation county offices in Los Angeles. The interviewee was responsive and timely in supplementing answers relating to compensation fraud in California. Here are her responses on the ten interview questions.

Question 1: A single claim in California goes for about \$65, 000. This means that the government loses a lot of money through fraud annually and the fraudsters are not brought to book. Since this is a lot of money what can the government do to prevent fraud?

Answer: Despite presence of an effective compensation system in California, workers and fraudsters still find a way of cheating their way through the insurance program. On average, workers within the state receives a sum of approximately \$65, 000 for injury. Increase in the number of fraudulent cases has forced the government and insurers in spending excess funds for compensation purposes. Consequently, the government is losing substantial money to criminal workers who conspire with employers in exploiting unsuspecting insurers. Currently, individuals arrested for fraudulent cases are convicted to a medium jail term. What the government should do is extend the penalties for unethical claims to include termination of employment and even public misrepresentation of convicted individuals. Such penalties will deter reoccurrence and increase in fake compensation claims.

## **Question 2: What are the various types of fraud and how do they take place?**

Answer: California department of justice, have categorized insurance fraud activities into distinct groups. In this case, the major types of fraud are life fraud, healthcare insurance and automobile frauds. Life fraud entails the act of faking one's death in order to receive claim for life insurance. Employees may conspire to stage a death claim and falsify identity of the victim by forging documents. Healthcare claims involve inflation of medical bills and misrepresenting healthcare information in order to receive inflated compensation for injuries. This fraud happens when employees work together with healthcare providers in falsifying or conceal treatment details. Automobile fraud results when perpetrators inflate billing for repair of damaged vehicles. The same perpetrators may intentionally stage an accident, and claim for compensation to the injured parties.

Question 3: How can the compensation policy be changed in order to reduce fraud; what measures can be adopted when assessing a claim in order to ensure that a claim is legal?

Answer: As a result of increase in fraudulent cases, insurers and relevant government agencies are formulating policies meant to reduce fake claims. One of such changes that will reduce fraud involves training of human resource managers in detecting potentially fake claims. The personnel managers should establish good relations with their employees in order to learn of employees' predisposition to lie in case of an injury. Management should discourage late reporters of injuries, over reporters and even malingerers. In order to ensure that a claim is legitimate, employers should

get specialists to screen employees claiming for compensation. In this context, objective screening of workers will effectively screen out fraudsters.

**Question 4: What time frame is appropriate to report injuries in order to ensure that employees are not faking injuries?**

Answer: In case of an injury, workers are encouraged to report the incident in not later than 72 hours. This timely reporting of injury will facilitate effective investigation of a worker's claims. Within the state of California, workers and employers are encouraged to report any injury to insurers within 7 days. In most cases, failing to meet the timeframe may result in denial of the claims.

**Question 5: A number of employers also collaborate with employees in compensation fraud. What action should be taken against these employers?**

Answer: In certain circumstances, employers may conspire with employees in concealing and misrepresenting information about an injury claim. Such incidences can be prevented by hiring services of an independent medical officer to screen employees before accepting the claims. In most cases, insurers have reliable investigators who must ascertain the ingenuity of an employee's claim before processing. Therefore, independent screening will serve the purpose of reducing conspiracy between employer and employees in fraudulent claims.

Question 6: Technology has a number of tools used in fighting fraud like link analysis, all-claims database, claim-scoring and data visualization. Do you think that technology assists in reducing fraud or can it be manipulated?

Answer: Yes. Use of technology will undoubtedly reduce and even prevent

occurrences of fraud claims from employees. Appropriate technological tools like CCTV cameras will facilitate effective surveillance of employees in their respective duties. Video footages taken throughout operation hours are normally stored in databases within an organization. Fortunately, manipulation of recorder videos is almost impossible. In case of any injury, employers will revisit the exact footage of the incident, in order to ascertain the actual cause of the injury. Therefore, technology will prevent fraudulent claims, and reduce unnecessary liability to employers and insurers.

Question 7: What measures can be put in place in order to assess the injured employee immediately after the injury in order to avoid fraud?

Answer: Employers and insurers can prevent workplace frauds by instilling systems to assess employees immediately after the injury. Most organizations today have healthcare facilities and dispensaries within their workplaces. In case of any injury, employees should be rushed to the organization's facility before being transferred to referral healthcare facilities. This will ensure that the organization's medical personnel assess the status of employee before seeking further medical care. As a result, employees will not conspire with doctors and medical practitioners outside in falsifying information about his injury status.

Question 8: Most compensation companies rely on employers to give them a full report about an employee. In a number of instances employers may give a false report about their employees. What can be done to ensure that employers give true reports about their employees?

Answer: In actual context, insurers require employers to report information about their employees, especially those relating to worker's medical

conditions. In order to enhance clarity, all employers should be supplied with a list of aspects concerning their employees that are reportable to insurers. This will ensure that employers supply insurers with medical information about their employees in a timely manner. In this context, it should be made clear that any attempt of employers to withhold useful information will amount to the employer committing a fraud.

Question 9: The California workers compensation was set up in order to assist employees; what went wrong in the department that fraud cases are many nowadays?

Answer: Despite the good role played by California department of workers compensation in assisting employees during injury claims, the department's purpose has been compromised by increase in frauds. Frauds are on the increase because of loopholes within the compensation programs. Dishonest employers and employees can comfortably conspire to solicit inflated compensation rates from insurers. In this case, lack of proper mechanism to validate employees' claims leaves numerous loopholes to fraudsters. Therefore, California workers compensation program became victim to fraudsters who learned of the shortcomings within the claims process.

Question 10: If employers are required to give a compensation history and the state of the job of an employee, won't some employers lie?

Answer: In most cases, employers do not have a close relationship with their employees. This lack of close relations allows workers to exaggerate injury claims without the employers' knowledge. Subsequently, employers may learn on a later date that a certain employee lied and misrepresented facts during a compensation process. In case such an employer is asked to submit

compensation history of dishonest employees, the employer will have to lie in order to avoid being held liable.