



# C O M P L E T E Coverage

LANDSCAPE CONTRACTORS INSURANCE SERVICES, INC. NEWSLETTER

AUGUST 2006



JUDI SMITH  
WC Claims Services  
Consultant

## Medical Provider Network (MPN) Implementation Instructions

By Judi Smith, WC Claim Services Consultant

In order for you to realize the significant premium savings made possible by the passage of SB899, it is imperative that you implement the Medical Provider Network (MPN) process. The savings being generated by MPNs are significant enough that insurance carriers have made it a condition of continuing your workers' compensation coverage.

LCIS has been very involved in assisting our customers with the implementation process. We want you to be in compliance and avoid possible cancellation. The process is not actually as difficult as it first appears to be – so open that large envelope sent to you by your new carrier regarding MPN implementation and take advantage of this cost containment tool.

The following steps apply to all Clarendon National/Praetorian Insurance Company policies. The process is very similar for other carriers, but give us a call if you have any questions.

- The multi-page pamphlet *Initial Written Employee Notification re: Medical Provider Network* (Title 8, CCC 9767.12) is available in English and in Spanish, and should be given to each employee – it is a notification of their rights to medical treatment for a work injury. There are two places in this document where you will need to fill in the name of your **MPN Contact**. This is the person in your organization that your employee would contact to find out what doctor he should see for treatment of a work injury. New employees hired after you complete the implementation will also need to be provided with this pamphlet – make it part of your new hire orientation.
- Along with this pamphlet, each employee should be given the *Employee Notification Acknowledgement* form, which is a signature page confirming that they have been provided the notification of rights. We recommend that you have this process completed at a safety meeting or on payday so that you can gather the confirmation signature pages from all your employees at the same time. This document must be signed by each of your employees prior to your sending proof of implementation back to your carrier! Retain the signed acknowledgement in your personnel files, as you will need to produce it should your employee report a new injury. Again, don't forget the new hires. They also need to sign.
- The form *Predesignation of Personal Physician* only applies if you offer group medical benefits to your employees AND the employee is eligible to receive it

### MISSION STATEMENT

*“To provide quality insurance products at competitive prices, along with superior service through our commitment of excellence to our customers and employees.”*

(whether or not he chooses to take it). In order for the employee to be sent to his own doctor at the time he reports a work injury, you must have received the completed form back from the employee, **prior to the injury**. If the doctor has not signed the form, there must be other documentation attached to it confirming the doctor's agreement. If you do not offer group medical benefits, do not give this form to the employee.

- Now that you have provided the notification of rights to all your employees and you have received back from them the signed and dated acknowledgement, you must advise your carrier that you have done so by completing and mailing the *Medical Provider Network Notification Acknowledgement*. It is the form that asks for your account name, name of account contact and policy number. Sign and date the form when you have completed the process with your employees and then mail it to the address provided on the form. Retain a copy of your signed Acknowledgment in your permanent files.

You have now completed the MPN implementation process!!! If you have any questions or need assistance, please contact Judi Smith or Terry Mahlman by calling (800) 628-8735.

What's

## Inside

- The Experience Rating and the 'X-Mod' – Part II
- Employee Spotlight: Sharon Barroca and Renee Matthews



STEVE HARTMAN  
CEO / President

## PRESIDENT'S MESSAGE

# Mixing Business with Pleasure in CLCA

### San Diego Summer Meeting

I can't believe it is already August; the year is passing by fast. I just returned from the CLCA Summer Meeting in San Diego and it was another great event! LCIS, along with Golden Oak, was proud to sponsor the meeting's Keynote Speaker, author and lecturer Marty Grunder. He received a standing ovation from those in attendance for his enlightening and motivating remarks. Marty is a Landscape Contractor in Minnesota and brought many innovative ideas to our membership.

### Hawaii in the Fall

Start planning for Hawaii in November! CLCA is holding it's State Convention on the beautiful island of Kauai, Nov. 15-18, 2006; please visit [www.clca.org](http://www.clca.org) for more information. If it was anything like the Summer Meeting it will be one you won't want to miss! Hope to see you in Kauai!

### Avoiding Heat Stress

Our last newsletter had some information on safely working in the summer heat, something all of us in California are currently experiencing to some degree or another. The topic is so important that we are featuring another article on the subject this issue as well – this time on Heat Stress. Make sure you take the proper steps to help secure the safety of your employees.



LCIS sponsored the San Diego Meeting Keynote Marty Grunder (center). All part of the LCIS family are Terry Mahlman, Mike Dunn, Nelson Colvin, and Steve Hartman.

I just read an article where there have been three hot weather suspected work-related deaths in the state this season! Unfortunately, one of these deaths was of a landscaper in Bakersfield. You can visit our Website for valuable information on this and also the OSHA Website for some good information with downloadable pamphlets in English and Spanish. The OSHA Website for an article and links to the forms is [www.occupationalhazards.com/articles/15433](http://www.occupationalhazards.com/articles/15433).

If you need any additional information about heat related work safety, feel free to give us a call and we will be happy to help in any way.

### How Are We Doing?

If you haven't already, please take the time and tell us about your experiences with our staff here at LCIS. Look for the LCIS

Employee Recognition Program for in this issue. Please complete the form and fax it to us at (800) 440-2378 or email your comments to [Gday@lclisinc.com](mailto:Gday@lclisinc.com). The form is also available on our Website at [www.lclisinc.com](http://www.lclisinc.com). We look forward to hearing about your experiences with LCIS!

As always thank you to those of you who do business with LCIS. And, if you don't do business with us, give us a chance to quote your insurance! It doesn't cost anything to have us quote your insurance; you only stand to gain with our competitive and specially designed products! You also become eligible for our rebate program by doing business with LCIS!

Sincerely,  
Steven Hartman  
President/CEO  
LCIS, Inc.



Steve made the CLCA Summer Meeting both a business and family vacation event.

## Contact Us

Toll-Free	(800) 628-8735
President	
Steve Hartman	ext. 520
Vice President – Sales	
Mike Dunn	ext. 589
Vice President – Services	
Kim Nichols	ext. 515
Chief Operating Officer	
Kim Ayala	ext. 511
Worker's Comp Manager	
Terry Mahlman	ext. 580
Certificate Request Fax	(800) 440-2378
LCIS Website	<a href="http://www.lclisinc.com">www.lclisinc.com</a>



ED WALLACE

## A Word from Our Clients...

*“LCIS has a lot going for it – price, service and great people. But what I really admire about the company is that they put time, effort and money back into CLCA. For example, Marty Grunder, the informative and motivating Keynote Speaker at the CLCA Summer Meeting, was sponsored by LCIS so that he could share his winning ideas with the membership. This tells me that LCIS is a company that not only wants our business, but they are ready and willing to help us improve our businesses as well.”*

– Ed Wallace, Midwest Landscaping  
State Communications Director

# Employee Spotlight



**Sharon Barroca**  
Sharon joined LCIS in 2004. She was recently promoted to a Package Underwriter. Previously she worked in our Workers' Compensation Department. She has had 25 years of Insurance Carrier experience. Sharon enjoys working on a specialized class of business rather than a general class of business.

When asked what she likes about working at LCIS, her reply was that she likes the team and pleasant environment that she works in, and is happy to see the agency grow. In her spare time Sharon likes to read, watch movies and is a crossword puzzle maniac.

## Renee Matthews

Renee Matthews is one of our newest team members to join our agency. We were pleased to offer her a claims processor position as she had been employed on the company end for ten years, eight years in personal lines claims as well as two years in commercial lines. She is very familiar with the processing of claims on the company side, which provides insight when handling our claims.



When asked what Renee likes most about her job, she responded that she likes "...the overall handling of the claims, but also receiving the variety of challenging claims questions from co-workers that require investigation." She is married and has two children, an eleven year old, and a little four month old. Her hobbies include playing BINGO and casino, reading, traveling and spending time with her family.

For additional information,  
visit the LCIS Website:  
[www.lcisinc.com](http://www.lcisinc.com)



**TERRY MAHLMAN**  
Workers' Comp  
Manager

## WC Guru

By Terry L. Mahlman, CPCU

### The Experience Rating and the 'X-Mod'

*This is the second of a two-part article on California WC experience rating.*

**How are X-mods calculated?** Every carrier files Unit Statistical Reports with the WCIRB providing payroll and claims results for your expired policy periods. The claims data is reported using the values of the claims as of 18 months following the policy inception date (in most cases this will be 6 months after policy expiration). Closed claims are reported by the carrier at the actual claim cost (excluding claim expenses such as defense costs). Any claims still open at the valuation date are valued at the insurance carrier's reserves. These reserves are the carrier's best estimate of the ultimate cost of the claim.

This process is repeated at 30 months and at 42 months post-policy inception. These second and third filings use the claims data as of those later dates. So, if at the second filing, one of the previously reported claims has closed, the actual claim cost will be used in the second filing. If a pending claim from the first filing has a change in the reserves (up or down), the reserve change will be reflected in the second and third filings.

The experience modification calculation typically uses three years of data. For an employer with a normal anniversary date of 10/1/06, the policy periods used would be 10/1/02-03; 10/1/03-04; and 10/1/04-05. Claims in the current policy period (10/1/05-06) do not impact the upcoming X-mod.

The actual experience rating is the ratio of the employer's actual losses to the expected losses for that employer. The actual formula is complicated, but the experience modification can be expressed as the following formula: Experience Modification = Actual Losses / Expected Losses. The item that the employer can control, and the item that has the largest impact on this calculation, is the total actual losses.

**How do severe claims and frequency of claims impact the X-mod calculation?** Both can cause increases in X-mods. Large claims can and do significantly impact X-mods. A single \$100,000 claim can cause a smaller employer's X-mod to go up by 35-40 points. Frequency of smaller claims can also have a significant impact on X-mods. Claims valued at \$2001 and above are "discounted" while claims valued under \$2001 are not discounted. Because of this discounting, five claims of \$2000 each (\$10,000 total) would cause a higher X-mod than one claim at \$10,000. While there is no actual computation of the number of claims in the formula, a high frequency of small claims does cause an increase in the X-mod.

**Do X-mods ever get revised or re-rated?** Non-compensable claims (invalid claims based upon a WC Judge ruling or denied claims where the employee does not contest the denial) are to be excluded from the X-mod. The carrier re-files the claim with the WCIRB showing that it is non-compensable and the X-mods that had been impacted by this claim are retroactively revised. Similar processes are in place when carriers receive subrogation recoveries (recoveries from claims caused by third parties) and claims where the employee has pled guilty or is convicted of fraud. Additionally, if the claim values used in the calculation of an experience mod are significantly reduced at a later valuation date, the X-mod could also be revised retroactively.

**What do you need to do to reduce your X-mod?** Each year, one year of your claims experience will fall off and will be replaced with the claims experience for the most recent expired policy period. So the key to reducing your X-mod is to continue to replace a year that falls off, with a better year. Focusing on injury prevention, as well as appropriately handling any injuries that occur, is essential. Stay involved in managing your claims by maintaining regular contacts with the Claims Administrator.

**What other information is available regarding X-mods?** To review a copy of the entire California Workers' Compensation Experience Rating Plan, visit [www.wcirb.org](http://www.wcirb.org) at the "Employer" link. For more X-mod information, call me or your LCIS Agent.

Do you have any workers' compensation questions that you would like answered in future LCIS newsletters? Email your questions to [tmahlman@lcisinc.com](mailto:tmahlman@lcisinc.com).

# Making a Difference!

## LCIS Employee Recognition Program

If one of our employees has made a positive difference by providing outstanding service and deserves recognition, please let us know. Fill out the information on this form and submit via fax or e-mail to:

Attn: Ginnie Day, Human Resources  
 Fax: (800) 440-2378  
 Email: gday@lcisinc.com



Landscape Contractors Insurance Service

I would like to nominate:

LCIS, Inc. Employee Name

Reason for Recognition:

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Your Name: \_\_\_\_\_

Company: \_\_\_\_\_

Daytime Phone: \_\_\_\_\_

Date: \_\_\_\_\_



## Return to Work Programs By Mike Dunn, Vice President of Sales

*How to keep injured workers involved in the company with modified jobs that meet their work capabilities after an injury.*

Normally when I write an article for the LCIS newsletter, I write about a product or service we offer. Let me shift gears this month and write about a program you may want to consider implementing. And the great part about this program is that it doesn't cost you a dime. In fact it will most likely save you money. What's this program you may ask.

It's called a Return to Work Program for Workers' Comp.

The primary goal of Return to Work Programs is to keep the injured worker involved in the company by providing a modified job that meets his or her work capabilities after the injury. This allows for the injured worker to return to productivity as quickly as possible. The main objectives of a return to work program are:

- Reducing the time of an employees disability
- Reduce or eliminate the possible of litigation
- Increase workers' motivation to return to work
- Reduce payments by your Workers' Comp program that

may affect your experience modification (X-mod) in the future

Successful Return to Work Programs need team work between manage-

ment, the managed care provider and the injured worker. Management must be committed to returning workers back to work via modified work. They must also exhibit a positive attitude toward that process. The managed care provider needs to set reasonable limitations that will allow the employee to recover from his or her injury while allowing the employer to provided reason-

able modified work. The employee must follow the advice of his managed care provider to assist the healing process.

Studies show that return to work programs work if the atmosphere is positive and geared to getting the employee back to work – and if communication exist between all parties. Many cases go to litigation simply because the injured worker fears his company does

not want him back, does not believe he is injured, or if the injured worker does not understand the process.

Consider Return to Work Programs if you can. Keep the process positive and communicate with all parties involved. If we can help here at LCIS please feel free to give us a call. You may call me directly at (559) 650-3555; fax: (559) 650-3558.



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 Fresno, CA 93727

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RETURN SERVICE REQUESTED

# Safety Tips of the Month

AUGUST 2006

## Save Lives by Preventing and Treating Heat Stress

This article is the second in a series of Summer Safety Tips.

As the merciless summer heat wave continues, employers must remain keenly aware of the dangers of heat-related illnesses. If the proper precautions are not taken, this heat can kill. Therefore, we need to make sure our employees take the right precautions to prevent heat illness while working in the hot sun. Additionally, as employers, we must make sure that we can recognize when an employee is succumbing to heat stress, and we must know how to treat heat stress quickly and appropriately.

### GENERAL PRECAUTIONS:

- Drink plenty of water. Your body can produce as much as three gallons of sweat per day. In order to replenish this lost fluid, workers must drink three to four cups of water every hour starting at the beginning of his or her shift.
- Avoid dehydrating substances, such as alcohol and caffeine.
- Take your breaks in the shade to give your body a break from exposure to the sun.
- Wear clothing that provides protection from the sun, but allows air to circulate.
- Make sure that emergency services can be quickly and easily contacted.

### HERE ARE THE SYMPTOMS OF AND WAYS TO TREAT HEAT STRESS:

#### HEAT STROKE SYMPTOMS

The most serious heat-related illness. Victims of heat stroke usually die unless treated quickly. Signs include:

- The victim stops sweating.
- Mental confusion, loss of consciousness, convulsions, or coma.
- Body temperature of 106 degrees Fahrenheit or higher.
- Hot, dry skin that may be red or blue.

#### Heat Stroke Treatment:

- Immediately call for medical assistance.
- While waiting for assistance, the victim should be moved to the coolest, shadiest spot available and fanned vigorously.
- The victim's clothing should be removed, and the skin should be gradually soaked with cool water.



#### HEAT EXHAUSTION

- The victim still sweats, but experiences extreme weakness or fatigue, giddiness, nausea, or headache.
- The skin is clammy and moist.
- The body temperature is normal or slightly elevated.

#### Heat Exhaustion Treatment:

- The victim should rest in a cool place and drink water, Gatorade, or another electrolyte solution.
- If the victim vomits, longer treatment under medical supervision may be required.

#### HEAT CRAMPS

- Painful spasms of the muscles, caused by loss of salt.

#### Heat Cramps Treatment:

- Rest in a cool place.
- Drink Gatorade or another electrolyte solution.

- Seek medical treatment in the case of severe cramping, vomiting, or loss of consciousness.

#### FAINTING

- Occurs when the victim cannot get accustomed to the hot environment.

#### Fainting Treatment:

- Move victim to a cool area.
- At first, allow the victim to lie on his or her back.
- When consciousness has been regained, the victim should recover after a brief period of walking around slowly.

#### HEAT RASH

- Heat rash looks like tiny bumps surrounded by a zone of red skin. It usually occurs on clothed parts of the body, such as the back, abdomen, neck, upper chest, groin or armpits and goes away on its own within a few days.

#### Heat Rash Treatment:

- Place the victim in a cool place and allow the skin to dry.

The above information was provided by Cal/OSHA and edited by Joshua Hernandez. For additional information, visit their Website at [www.dir.ca.gov](http://www.dir.ca.gov).

### Safety Tips Wanted!

Do you have some safety tips that have made a difference for your company? Send them to LCIS at the address below, ATTN: Editor, and they might appear as future Safety Tips of the Month to share with your fellow CLCA members.



LANDSCAPE CONTRACTORS  
INSURANCE SERVICES, INC.

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## Salve Vidas Previniendo y Tratando el Golpe de Calor

*Este Artículo es el Segundo en una Serie de Consejos de Seguridad para el Verano*

**M**ientras la implacable ola de calor continúa, los empleadores deben de mantenerse alertas de los peligros de las enfermedades causadas por el calor. Si las apropiadas precauciones no son tomadas, el calor puede matar. Por esta razón, debemos asegurarnos que nuestros empleados tomen las precauciones necesarias para prevenir las enfermedades del calor mientras están trabajando en calor del sol. Adicionalmente, como empleadores, nosotros debemos asegurarnos de ser capaces de reconocer cuando un empleado está sucumbiendo al estrés del calor, y debemos de saber como tratar éste estrés de forma rápida y apropiadamente.

### Precauciones Generales:

- Beba agua en abundancia. Su cuerpo puede producir tanto como tres galones de agua por día en sudor. En orden de recuperar los fluidos perdidos, los trabajadores deben de tomar entre tres y cuatro vasos de agua por hora empezando al inicio de su día laboral.
- Evite sustancias deshidratantes, como el alcohol y la cafeína.
- Tome sus descansos en la sombra para darle a su cuerpo el descanso de la exposición del sol.
- Use ropa que provea protección del sol, pero que a su vez permita que el aire circule.
- Asegúrese que el servicio de emergencia pueda ser fácilmente y rápidamente contactado.

### Aquí están los Síntomas y los Tratamientos de las Enfermedades Relacionadas con el Calor:

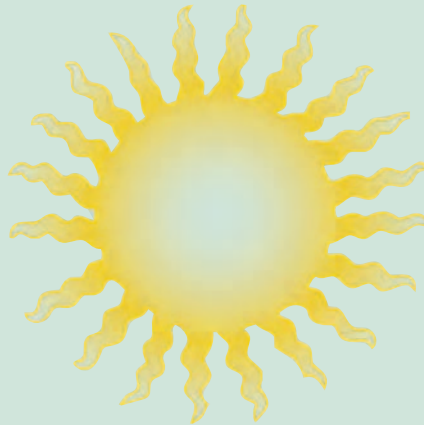
**SÍNTOMAS DEL GOLPE DE CALOR** es la más seria de las enfermedades relacionadas con el calor. Las víctimas del golpe de calor usualmente mueren si no son tratadas rápidamente. Los síntomas incluyen:

- La víctima para de transpirar.
- Confusión mental, pérdida de conciencia, convulsiones, o coma.

- Temperatura corporal de 106° Fahrenheit (40° C) o más.
- Piel caliente, seca que puede ser roja o azul.

### Tratamiento del Golpe del Calor:

- Inmediatamente llame pidiendo atención médica.
- Mientras espera por asistencia, la víctima debe de ser colocada el sitio más fresco y sombreado posible, y abanicarlo vigorosamente.
- La ropa de la víctima debe de ser removida, y la piel de la víctima debe de ser gradualmente empapada con agua fría.



### AGOTAMIENTO POR EL CALOR

- La víctima continua transpirando, pero experimenta una fatiga y debilidad extremas, mareos, nauseas, o dolores de cabeza.
- La piel está húmeda.
- La temperatura del cuerpo es normal o ligeramente elevada.

### Tratamiento para el Agotamiento por el Calor:

- La víctima debe de descansar en un lugar fresco y beber agua o una bebida deportiva del tipo "Gatorade."
- Si la víctima vomita, un tratamiento más prolongado bajo supervisión médica puede ser requerido.

### CALAMBRES POR EL CALOR

- Espasmos dolorosos de los músculos son causados por la pérdida de sal.

### Tratamiento para los Calambres por el Calor:

- Descanse en un lugar fresco.
- Beba "Gatorade" u otra bebida que contenga electrolitos.
- Busque tratamiento médico en el caso de calambres severos, vómitos, o pérdida de conciencia.

### DESMAYOS

- Ocurren cuando la víctima no puede acostarse a un medio ambiente caluroso.

### Tratamiento para los Desmayos:

- Lleve la víctima hacia un lugar fresco.
- Primero, deje que la víctima descanse sobre su espalda.
- Cuando haya retomado la conciencia, la víctima debe de haberse recuperado luego de caminar al derredor lentamente.

### SARPULLIDO DEL CALOR

- El sarpullido por el calor se ven como pequeños chichones rodeados por una zona de piel roja. Usualmente ocurren en las partes cubiertas por ropa del cuerpo, como la espalda, abdomen, cuello, parte superior del pecho, ingles, axilas y se va por sí mismo en unos pocos días.

### Tratamiento para el Sarpullido del Calor:

- Coloque la víctima en un lugar fresco, y permita que la piel se seque.

*La información que aquí figura fue proveída por Cal/OSHA y editada por Joshua Hernández. Para información adicional visite el Website [www.dir.ca.gov](http://www.dir.ca.gov).*

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