

Impairment Rating and PPD in the Oregon Workers' Comp System

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What makes Oregon's rating process different?

- **Oregon uses its own rating guide**, the WCD Div. 35 rules. We don't use any version of the AMA Guides. Measurement techniques are described in the rules.
- **Doctors don't rate impairment in Oregon.** The doctor (AP or consulting doc) does the closing exam and describes the physical findings.
- A specialist translates the findings into a rating. This arrangement is not typical in other states.

Claim declared medically stationary
(by Attending Physician, or preponderance of evidence)



Closing Exam with impairment findings
(by Attending Physician, or referral with concurrence by AP)



PPD rating, using impairment findings
(by rating specialist/adjuster, at insurer or S/I)

Notice of Closure issued, and PPD benefit payments begin within 30 days (unless appealed)

PPD benefits in comparison

- PPD is the most diverse WC benefit area across states, in terms of structure, process, and benefit levels.
- In some states, PPD is based only on impairment. There is a direct relationship between rating and the PPD benefit amount.
- Oregon PPD benefits can include both Impairment and Work Disability benefits.

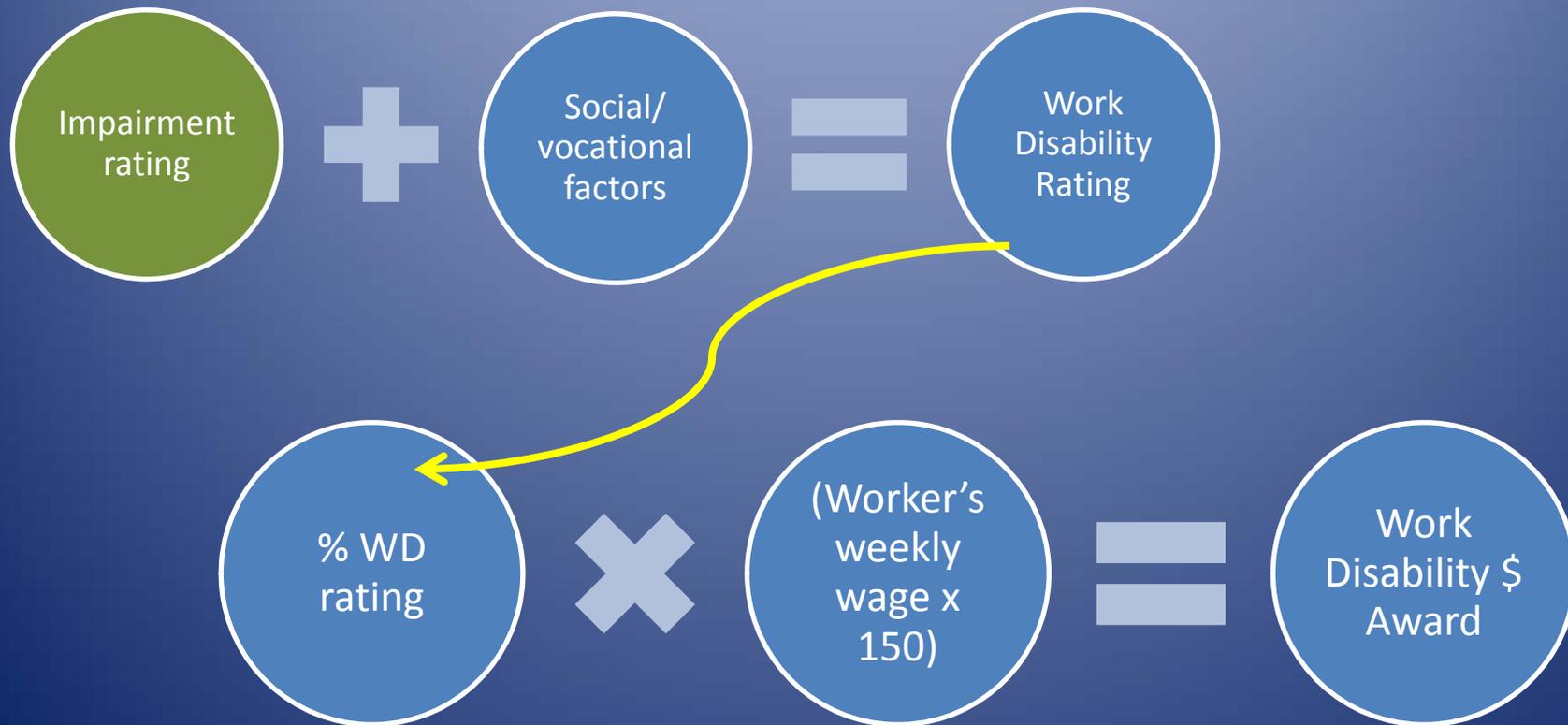
PPD benefit computation: the Impairment portion



If **released** to regular work, Impairment is the only PPD award.

PPD benefit computation: the Work Disability portion

**IF not released to regular work
in addition to Impairment award**



PPD benefits in Oregon

- In Oregon, about a fifth of PPD claims include work disability, which incorporates factors of age, education, and adaptability into the rating.
- PPD benefit structures were designed to be cost neutral, using the Oregon rating process and rules.
- There is no guarantee that a different rating system would be cost neutral for Oregon.
- If we wanted to compare the cost impact of current and proposed rating methods for Oregon, we would have to do our own study of ratings.

Comparing results with other states

- A few states have proprietary rating guides, as Oregon does. A few do not specify any particular method.
- The states that use the AMA 6th Edition typically require that the most recent Guides version be used. These states had previously used the 5th Edition.
- This means that no study has been done that compares Oregon ratings with any version of the AMA Guides, or any other rating system.

The AMA Guides and other states

- Because no other state uses Oregon's rating system, information from other states about the relative generosity of various editions of rating guides is not very useful to determine impact on Oregon.
- Adopting the *methods* isn't the same as adopting the *results*. Since Oregon isn't tied to the AMA Guides, we aren't tied to their rating values either. So a condition that is rated at 12 percent in the Guides can be given a different value in Oregon rules.

Questions?

Thank you