



CUSTOMER SERVICE PROGRAM AUDIT

Audit Report # 2011-009

By:

The Office of Injured Employee Counsel

INTERNAL AUDIT DIVISION

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The Office of Injured Employee Counsel's (OIEC) mission is to assist, educate, and advocate on behalf of the injured employees of Texas. OIEC fulfills its mission of assisting injured employees through its Customer Service, Ombudsman, and Legal Services programs.

Legislation enacted by the 80th Texas Legislature in 2007 mandated that OIEC should become a "One Stop Shop" and provide service to all unrepresented injured employees in Texas at any point in their claim when assistance is requested. As a result, OIEC was given additional funding through the legislative appropriation process to develop a Customer Service Program.

In anticipation of legislative approval of OIEC's request for a Customer Service Program, a Director was appointed from the OIEC leadership team. The Director, along with other leadership staff, put together a training program that included training deadlines, a training handbook, computer modules, regularly scheduled teleconferences, written exercises, and team training with other OIEC employees. The Legislature approved the requested funding effective September 1, 2007. Posting of positions and hiring began immediately.

OIEC received funding to hire 33 Customer Service Representatives (CSRs), a Director, and two Supervisors to provide oversight, direction, and management to the Customer Service Program. Approximately half of the CSRs is supervised from the Tyler Field Office and covers the northern region of the state, and half is supervised from the San Antonio Field Office and covers the southern region of the state. The Director, located in the Fort Worth Field Office, manages the program. At least one CSR is in each of the field offices. A call center was established in the Fort Worth Field Office. The CSRs hired for the call center answer the OIEC toll-free line and local calls and provide backup for answering calls in other field offices as necessary. The call center staff also provides face-to-face assistance to walk-in customers.

In June 2008, the program implemented an automated call system (Nortel Contact Center) in which all field offices make up a virtual call center. In this system, any CSR can answer incoming calls from injured employees anywhere in the state.

OIEC's CSRs provide advocacy assistance by educating and assisting injured employees in person or by telephone. They answer questions about the workers' compensation process or provide assistance in other ways, such as identifying and completing various claim forms and identifying and rectifying problems or disagreements. CSRs are also involved in various projects in which they reach out to injured employees, their beneficiaries, and their health care providers to supply them with information and educational brochures.

CSRs also begin the early intervention process of identifying and attempting to resolve disputes. Effective January 2011, the CSR is required to forward cases to the Ombudsman Program for assistance during the dispute resolution process if not resolved after 10 business days from the date a dispute is identified. Prior to January



2011, this was required after seven business days. These requirements are stated in Procedure Field 08-05.

Texas Department of Insurance, Division of Workers' Compensation (TDI-DWC) Customer Assistants continue to provide regulatory customer service to injured employees and other workers' compensation stakeholders, such as health care providers, insurance adjusters, and attorneys.

The purpose of this audit was to determine whether the Customer Service Program's policies, procedures, and directives are being followed and whether these procedures adequately reflect management's needs and requirements.

Scope and Methodology

The initial scope of the audit included a sample of injured employees assisted by OIEC's Customer Service Program in six field offices: Abilene, Amarillo, Denton, Lubbock, Tyler, and Weslaco. These offices were selected to include those that were not visited in previous reviews. The DWC Data Reporting Group prepares monthly and quarterly reports on the agency's performance measures, as required by the Legislative Budget Board. For this review, the DWC Data Reporting Group selected a sample of approximately 8 percent of the injured employees who had the CSR identified in the Dispute Resolution Contact Data (DRCD) system by the "OCS" inquiry code for the period from April 1, 2010 through March 31, 2011. The "OCS" (OIEC Customer Service) inquiry code indicates that a dispute has been received and assigned to a CSR for early intervention purposes.

There were 177 cases in the sample. During visits to these field offices, there were 87 cases in this sample for which no files were provided. In most instances, standard operating procedures require that CSRs do not create paper files unless the case is referred to the Ombudsman Program. As a CSR prepares or obtains documents during the early intervention process, the documents are kept in a lockable filing cabinet or other secured area. This secured area contains folders for each month with individual case file documents filed alphabetically by injured employee name and by month. This file is called the "drop file" by office staff.

Working folders for 90 injured employees were reviewed in the field offices for indications of certain actions and for inclusion of certain documents required by the agency's policies and procedures. In addition, the Dispute Resolution Information System (DRIS) notes were reviewed for indications of certain customer service actions by the OIEC CSR and the DWC Customer Assistants.



These folders were reviewed for inclusion of the following information or documents:

- Information indicating the date(s) on which an injured employee was referred to OIEC;
- Information as to OIEC's initial contact date with the injured employee;
- Copies or indications of reviews of Forms PLN1 or PLN11;
- Copies or indications of reviews of Form DWC-041;
- Indications of disputed issues identified (ODI inquiry code in DRIS) by CSRs and the dates identified;
- Indications of the resolution of disputes prior to formal dispute resolution proceedings (ODP inquiry code in DRIS); and
- Indications of the dates injured employee cases were referred to OIEC's Ombudsman Program (OCR inquiry code in DRIS).

In addition to reviews of documents in the working folders, the notes in the DRIS automated database and the electronic documents in the DWC automated system (TxComp) were reviewed for electronic indications that some items (such as the PLN1, PLN11, or DWC-041) were included. The DRIS automated database was also reviewed to determine whether injured employees were contacted by OIEC within two business days from the date of referral.

Additionally, the incoming calls recorded in the automated call system's CRQM Program were sampled from each of the CSRs in the field offices visited. A total of 24 incoming calls were monitored. The attributes listened for on incoming calls were as follows:

- Did CSR answer the call identifying self and OIEC?
- Did CSR verify contact data and notify DWC of any changes needed?
- Did CSR answer questions thoroughly?
- Did CSR explain the dispute process?
- Was the CSR knowledgeable of workers' compensation law and rules?
- Was CSR viewing DRIS or other appropriate screens?
- If CSR did not know the answer to a question, what action was taken?
- Did CSR communicate effectively and use language free of acronyms and slang?
- Did CSR offer to send required forms to customer and/or refer customer to other agencies for assistance?
- Was customer satisfied with results of call?
- Did CSR transfer the call appropriately, if applicable?
- Did CSR enter correct DRIS inquiry code(s)?
- Did CSR enter sufficient log notes in DRIS and use macro, if applicable?

The scope also included the review and assessment of written procedures governing the Customer Service Program to determine whether these procedures adequately reflected management's needs and requirements and whether the agency had procedures in place to assure compliance with applicable provisions of its enabling legislation and the Texas Labor Code, Chapter 404, Subchapter C, Section 404.101



and rules established under the Texas Administrative Code, Title 28 Part 2 (TDI-DWC) and Part 6 (OIEC).

This project was conducted in accordance with generally accepted government auditing standards and the *Standards for the Professional Practice of Internal Auditing* as set forth by the Institute of Internal Auditors (IIA).

Overall Conclusion

Current administrative procedures and manuals for the CSR position present a fairly detailed and clear message concerning how injured employees are to be assisted in informal dispute resolutions prior to administrative proceedings, such as the Benefit Review Conferences, Contested Case Hearings, and Appeal Assistance proceedings handled through OIEC's Customer Service and Ombudsman programs.

There is some opportunity to improve the procedures by additions to the CSR Training Handbook, new directives, additional training, and emphasis of existing directives. Additionally, controls assuring compliance with existing procedures could be strengthened in key areas, such as:

- Returning calls to injured employees within two business days of their referral to OIEC,
- Using DRIS Code "ODI" in each case to indicate identification of disputed issues,
- Using DRIS Code "ODP" in each case to indicate resolution of disputed issues prior to any administrative dispute resolution proceeding,
- Using DRIS Code "OCR" in each case to indicate referral of the case to the Ombudsman Program and making these referrals within 10 business days,
- Using DRIS Code "ODH" in each case to indicate that a previously identified dispute has been placed on hold, and
- Assisting each injured employee to complete and file the Employees Claim for Compensation for a Work-Related Injury or Occupational Disease (Form DWC-041).

Management has agreed with the findings and recommendations in this audit and developed a plan for corrective actions.

I would like to thank Brian White, Deputy Public Counsel/Chief of Staff, and all the CSRs in the field offices visited as well the Customer Service Program Director and Supervisors for their cooperation and assistance during the conduct of this audit.



DETAILED ISSUES AND MANAGEMENT RESPONSES

Issue 1 – DRIS Codes Used by CSRs

The DRIS codes used for identification (“ODI”) and resolution (“ODP”) of disputes as well as disputes placed on hold (“ODH”) were developed and implemented during June, July, and August 2009. This new CSR requirement may have contributed to the number of findings for these codes during the prior audit issued in January 2010.

The performance measures derived from these codes did not become effective until September 1, 2010. Several training sessions were held with CSRs as well as other staff to familiarize them with use of these codes. Additionally, the Quality Assurance Section delivered a comprehensive training program for all staff on the proper usage of DRIS codes during December 2009.

Recommendations:

The proper use of these codes should continue to be a topic covered in monthly CSR teleconferences.

Management Response:

Management agrees and appreciates the helpful recommendation. The appropriate and proper use of the DRIS codes when identifying and processing disputes is a topic discussed frequently during the CSR teleconferences and Customer Service supervisory/team meetings. Management developed and delivered a presentation entitled “Back to the Basics” at the annual conference in June of 2011, which placed heavy emphasis on the correct use of DRIS codes “ODI” and “ODP” when identifying and resolving disputes. This presentation also covered the appropriate use of the “ODH” code. The CSR Checklist Form (CS-06) was developed and updated to assist the CSR in selecting the appropriate "ODI," "ODH," and "ODP" codes. The Customer Service Supervisors will continue to review the use of the "ODI," "ODH," and "ODP" codes during the regular bi-monthly reviews of the CSRs’ tracking sheets and accompanying early intervention processes.

During FY 2010, the agency formed a Quality Assurance Section, which served as a section within the agency's Administration and Operations Division. The addition of this program resulted from a recommendation from a prior audit report. The Quality Assurance Section developed and presented training on the use of DRIS codes in person and by teleconference. The presentation was also delivered to all staff at the yearly OIEC Conference. Effective September 1, 2011, the duties of monitoring of agency staff to ensure all policies are being followed are now performed by the Associate Directors of the Customer Service and Ombudsman Programs. These Associate Directors have developed and implemented standardized Quality Assurance Review Instruments and procedures to ensure proper controls are in place to achieve substantial compliance with agency procedures.



Issue 2 – Referrals to Ombudsman Program in 10 Working Days.

Field Procedure 08-05, revised January 2011, now requires that all early intervention cases handled by CSRs be referred to the Ombudsman Program 10 business days after the identification of a dispute. Standard processing of the referral requires use of DRIS inquiry code “OCR” to record the referral to the Ombudsman Program.

There were seven cases which were not referred within the 10 business days or for which no referrals were made to the Ombudsman Program using DRIS inquiry code “OCR.” In the previous audit period there were 16 such cases.

Recommendations:

The proper use of the “OCR” inquiry code and referral of injured employee cases to the Ombudsman Program should be emphasized to all CSRs.

Management Response:

Management generally agrees and appreciates the helpful recommendation. Customer Service Management performs bi-monthly reviews of each CSR’s tracking sheet to monitor compliance with early intervention procedures, including referring the identified disputes within the required 10 business days and entering the OCR code into DRIS at the time that the referral to the Ombudsman Program is made. Customer Service Management also consistently trains staff on the early intervention process, highlighting the timeframes and the appropriate and proper use of the DRIS codes used in identifying and processing disputes. A CSR Checklist form has been developed on which the CSR must indicate that the appropriate "ODI," "ODH," "ODP," and "OCR" codes have been utilized. Customer Service Management developed and presented a “Back to the Basics” training program in June of 2011 at the annual 2011 OIEC Conference. This presentation incorporated training in the early intervention process, which requires the forwarding of an unresolved dispute to the Ombudsman Program no later than 10 business days from the date the dispute was identified.

Customer Service Management will continue to emphasize the use of the OCR code when referring disputes to the Ombudsman Program.



Issue 3 – Identification of Disputes in DRIS Notes

Policy requires that CSRs indicate identification of disputes through the use of DRIS inquiry code “ODI.” This inquiry code is to be used after verification, by correspondence or discussion with the carrier’s representative and the injured employee, that a valid dispute exists. A separate “ODI” note in DRIS is to be recorded for each dispute identified. There were two injured employees whose DRIS notes did not contain the “ODI” inquiry code.

Recommendations:

The proper use of the “ODI” inquiry code for the identification of disputes should be emphasized to all CSRs.

Management Response:

Management agrees and appreciates the helpful recommendation. Customer Service Management consistently includes training on the appropriate and proper use of the DRIS codes used in identifying, processing, and forwarding disputes to the Ombudsman Program. A required CSR Checklist form has been developed. The CSR must indicate that the correct codes have been used. The agency has also developed a standardized macro to be used by all CSRs and Ombudsmen when entering identified disputes into DRIS. Every CSR is provided with a Disputed Issue Codes and Related Issue Guide to refer to when identifying and documenting the disputes. Customer Service Management developed and presented a “Back to the basics” training program in June of 2011 at the OIEC annual conference. The presentation incorporated training in the early intervention process and proper identification of dispute codes. Monthly teleconference training, which includes identifying disputes and how to determine the appropriate associated dispute code, has been presented by both Customer Service Management and Legal Services.

Issue 4 – Findings Noted in Monitoring of Incoming Calls

The monitoring of incoming calls in the automated system indicated the following:

- The CSR did not properly identify themselves or OIEC one time;
- The CSR did not verify contact information in the system one time; and
- There were two instances in which the CSR did not enter the appropriate codes in DRIS or did not enter sufficient notes in DRIS.

These indicated significant improvements over the results reported in the previous audit.



Recommendations:

Continued training in the monthly CSR teleconferences should emphasize the importance of the points noted above.

The Customer Service Program should develop written procedures outlining the number of incoming calls to be monitored each month by the CSR Supervisors. CSR Supervisors should be monitoring the required sample of the incoming calls for each of their CSRs and preparing written evaluations of the results. When deficiencies are noted they should be discussed with the responsible CSR.

Management Response:

Management agrees and appreciates the helpful recommendation. The Director of Customer Service has developed and implemented additional training requirements. The Customer Service Supervisors evaluate a minimum of three (3) telephone contact recordings for new CSRs each month during the first six months of employment and a minimum of one contact recording every other month thereafter. An approved standardized form has been developed and is being utilized in the evaluation of the contacts. A copy of the contact recording, along with the evaluation form, is provided to the CSR to review with the CSR Supervisor.

In addition, a heavily revised training program was developed by Quality Assurance in close coordination with Customer Service Management for current and new CSRs. The heightened training program has had substantial effects on the OIEC Customer Service Program. Also, the "Back to the basics" training program that was presented at the June 2011 OIEC Annual Conference provided additional training in these areas.

Issue 5 – Employee’s Claim for Compensation for a Work-Related Injury or Occupational Disease (Form DWC-041)

In Texas, employees protect their rights by filing an Employee’s Claim for a Work-Related Injury or Occupational Disease (Form DWC-041) within one year of the date of injury or within one year from the date the employee knew or should have known the injury or disease was work related.

Although staff urges injured employees to file this form, and in many cases assists them in completing the form, evidently some injured employees are not filing the form with DWC.



Recommendation:

Management should require that CSRs assist the injured employees in completing the Form DWC-041 and actually file the form on behalf of the injured employee by hand delivering it to DWC staff in the field office.

Management Response:

Management generally agrees and appreciates the helpful recommendation. The Director of Customer Service issued a directive (dated January 22, 2010) requiring all CSRs to assist the injured employee in completing and hand delivering the DWC 041 and documenting this action in DRIS. However CSRs provide the bulk of their assistance by telephone and through the mail. They provide injured employees with the DWC 041 and provide assistance over the phone but cannot hand deliver the document to DWC staff unless the injured employee returns the signed for to them. Customer Service Management has created a letter that accompanies the DWC 041 when sent by mail and return envelopes are provided for the convenience of the injured employee. However, the CSRs cannot file the forms that are not sent to them. Once the forms are completed, they are frequently brought to the Ombudsman appointments, at which time they can be filed. However, it is important to note that other documents can serve as a claim other than the DWC041. In addition, if more than one year has passed from the date of the injury and a DWC041 has not yet been filed, it might actually prejudice the injured employee to file a delayed DWC041. Such a filing may well trigger a carrier to raise the defense of failure to file a timely claim. Both § 409.004 and Rule 122.2 specifically provide that the failure to timely file a claim will not result in the carrier being relieved of liability for compensation if it has not contested the claim.

Management has also established a Quality Assurance Review Procedure to monitor performance within the Ombudsman and Customer Service Programs, which will permit a review to determine if injured employees are being properly educated and assisted about the DWC041 and encouraged to file the form in those circumstances where it is warranted

Issue 6 – Returning Calls Within Two Business Days

Policy requires that all incoming calls and referrals from DWC through the resource box be returned to injured employees within two business days. During the current audit period there were 16 instances in which calls were not returned within two business days. This was an exception rate of 17.8 percent in the sample of 90 Customer Services files.



Recommendations:

Management should continue to stress the importance of this policy and returning calls promptly in CSR teleconferences and other training conducted by the Customer Service Program.

Management Response:

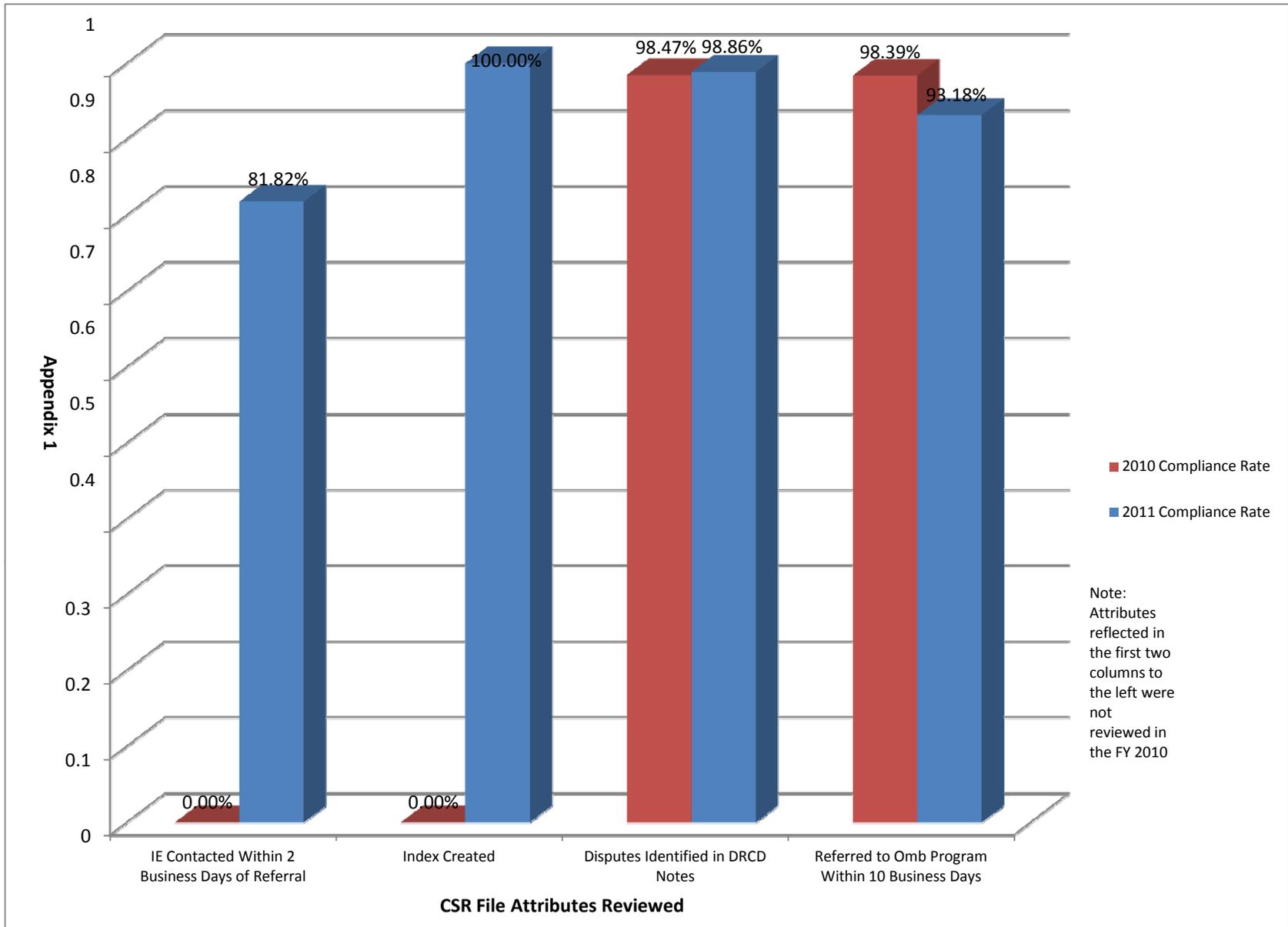
Management generally disagrees with all exceptions to the 2-day callback time because the 2-day period was calculated based upon the date of the DWC employee's DRIS entry that says the dispute/caller "has been" or "will be" referred to OIEC via the resource box. There was no way to verify the date on which the dispute was actually referred to OIEC (by way of the resource box) at the time the audit was performed as referrals "auto-delete" after thirty days. Therefore, there is no date certain to begin the 2-day clock. Management recommends that CSRs should always place a printed copy of the resource box referral in the working folder.

Customer Service Management performs bi-monthly reviews of the CSRs' tracking sheet to monitor compliance with early intervention procedures, including calling the injured employee no later than 2 business days after the request for assistance was received and entering the OCS code into DRIS at the time that the request is received. Customer Service Management also consistently trains on the early intervention process and stresses the importance of returning phone calls within 2 business days. Management developed and presented "Back to the Basics" training at the annual conference in June of 2011. Heavy emphasis was placed on the time deadlines they are required to follow.

Customer Service Management will however, continue to coach staff and take disciplinary action against CSRs out of compliance with this agency requirement.



Customer Service File Reviews

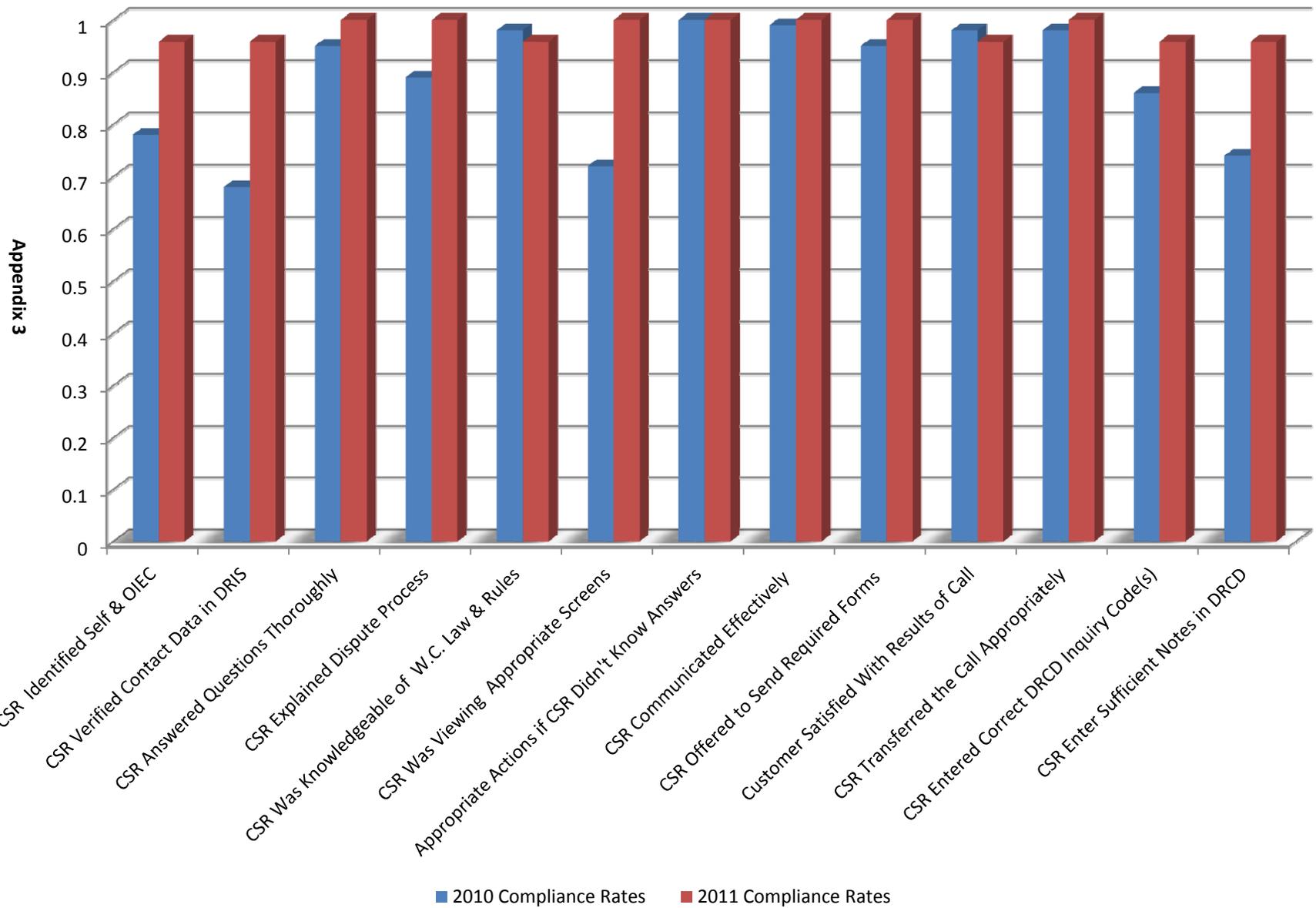


**Office of Injured Employee Counsel
 Audit Project # 2011-009 Customer Service Division Audit
 CSR Early Intervention & Case Development File Reviews
 Summary of Findings (Compliance Rates)**

	<u>2010</u> Compliance	<u>2011</u> Compliance
Number of Files Reviewed	131	88
IE Contacted Within 2 Business Days of Referral	0.00%	81.82%
Index Created	0.00%	100.00%
Disputes Identified in DRCD Notes	98.47%	98.86%
Referred to Omb Program Within 10 Business Days	98.39%	93.18%

Note : Attributes for IE Contacted Within 2 Business Days, and Index Created were not reviewed in FY 2010

Customer Service Call Monitoring Results



**Office of Injured Employee Counsel
 Audit Project # 2011-009 Customer Service Division Audit
 CSR Incoming Calls Monitored
 Summary of Findings (Compliance Rates)**

	2010 Compliance	2011 Compliance
Number of Calls Monitored in Sample	100	24
CSR Identified Self & OIEC	78.00%	95.83%
CSR Verified Contact Data in DRIS	68.00%	95.83%
CSR Answered Questions Thoroughly	95.00%	100.00%
CSR Explained Dispute Process	89.00%	100.00%
CSR Was Knowledgeable of W.C. Law & Rules	98.00%	95.83%
CSR Was Viewing Appropriate Screens	72.00%	100.00%
Appropriate Actions if CSR Didn't Know Answers	100.00%	100.00%
CSR Communicated Effectively	99.00%	100.00%
CSR Offered to Send Required Forms	95.00%	100.00%
Customer Satisfied With Results of Call	98.00%	95.83%
CSR Transferred the Call Appropriately	98.00%	100.00%
CSR Entered Correct DRCD Inquiry Code(s)	86.00%	95.83%
CSR Enter Sufficient Notes in DRCD	74.00%	95.83%