

# Montana Workers' Compensation Quarterly Expenditure Report (QER) General Instructions & Information

The purpose of the expenditure report is to gather the workers' compensation costs that are paid to claimants and/or on behalf of the claimants during the quarter. The costs are broken down into three categories: (1) compensation benefits paid, (2) medical benefits paid, and (3) miscellaneous benefits paid. Every insurer is required to file the expenditure report with the department (MCA 39-71-306). The reported amounts are gross paid amounts and may not be less than zero.

The Insurer # is the number assigned to the insurer by the Department of Labor & Industry (DLI). This is not your NAIC number. This is not your NCCI number.

Reproduce the expenditure report as needed. The format may not be altered. Submit separate reports for each insurer. A report must be submitted if there are \$0 expenditures. Reports must be received within 15 days of the end of the quarter. (Quarters end September 30, December 31, March 31 and June 30.) Penalties up to \$1000 may be assessed for late reports (MCA 39-71-306(2)). Reports may be sent to the department by either regular mail, by facsimile, or by email.

**Compensation** includes all indemnity payments made for the quarter, including indemnity benefits paid under a rehabilitation plan.

**Medical** includes all hospital, medical, surgical, physical therapy, etc. made for the quarter, including any amounts reimbursable to the insurer under deductible policies.

**Miscellaneous** may not include any indemnity or medical benefits. Miscellaneous may include attorney fees, rehabilitation services, rehabilitation expenses such as books and tuition, auxiliary rehabilitation, independent medical examinations requested by the insurer, burial expenses, travel expenses, or various other miscellaneous costs paid to or on behalf of the claimant that do not constitute a compensation or medical benefit. Reporting amounts under Miscellaneous is required.

**Medical in excess of \$200,000 per claim** is excluded from the annual assessment. Report excess payments over cumulative threshold amount of \$200,000 per claim paid in this quarter. Example: Payments per one claim 1st quarter is \$250,000, 2nd quarter \$25,000. 1st quarter report medical \$250,000, medical in excess \$50,000. 2nd quarter report medical \$25,000, medical in excess \$25,000.

## **Annual Reconciliation**

There is a need to mention the importance of the QER, the QER annual reconciliation, the department assessment, and our process. There are over 350 insurance carriers and/or self-insured employers reporting to the department. Once all insurance carriers and/or self-insured employers have completed the yearly filings of the QER, we send all carriers and/or self-insured employers a "Montana Annual Workers' Compensation Expenditure Reconciliation Worksheet", usually in early February of each year. The Annual Reconciliation lists the insurance carrier and/or self-insured employer reporting activity for the year listing indemnity, medical, and other payments in summary form from their respective reporting office(s). Any discrepancies should be

reconciled at this time. The Annual Reconciliation is due back in our office March 1<sup>st</sup> each year. The signed and returned Annual Reconciliation of expenditures for the previous year is considered final for assessment purposes. The department's assessment and surcharge calculations are based on this information, and the surcharge rates for the insurance carriers must be published by April 30<sup>th</sup> of each year. As you can see, the window of time is very short and it is critical that we have information at a specific point in time.

**Negative Numbers Not Accepted**

The reported amounts are gross paid amounts and may not be less than zero.