



Pennsylvania Compensation Rating Bureau

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March 17, 1998

PENNSYLVANIA TEST AUDIT PROGRAM

BULLETIN # 47

As per Bureau Circular No. 1285, the results of an insurance carrier appeal to the Audit Committee is presented to the membership for their information.

“L” Residential Facility for the Elderly- Non - Medical.

The insured operates a residential facility licensed by the State Department of Public Welfare as a personal care home with 75 beds. The carrier's appeal involved the classification of the receptionist. The carrier's position was that this employee was assignable to Code 953, Office while the Bureau determined through its test audit this employee was not eligible for Code 953 due to lack of physical separation.

The carrier explained the receptionist works at a desk in the reception area that has a floor to ceiling wall in back and on the side. The carrier presented a diagram and photographs to the Committee and stated that it believed adequate physical separation existed. The reception area included a waiting area with seven chairs used by the residents to wait for visitors or drivers to take them to appointments. The reception desk was located across the room from an elevator entrance. Residents passing through the area had to walk down hallways to get to the atrium, television room and the dining room. Three separate offices surround the reception desk. It was noted the diagram was not drafted “to scale” but that the area between the elevator and the front door was much smaller than it appeared on the diagram.

The carrier stated the receptionist's job duties were limited to answering and directing telephone calls, greeting guests and directing them to one of the three offices to await the arrival of a particular resident. This employee may also do data entry work at a computer in a separate office located next to the area where the employee usually works. The carrier stated the receptionist did not perform any other job duty in or about the insured's premises and that she was the only employee assigned to the clerical class on their audit. She reportedly did not walk throughout the facility nor did she escort guests to various rooms in the facility. In response to a question, the carrier explained the receptionist works from 9:00 a.m. to 5:00 p.m., at which time the doors are locked. If a problem occurs with a resident wandering off the premises, it is the responsibility of the facility's manager to handle the situation.

In executive session the Committee reviewed at length the facts presented in this appeal.

The Committee cited the carrier's statement that there should be at least one office employee was not a valid assumption. A smaller business may not have any employees that meet the restrictive

definition of Clerical Office. It was noted employees in small businesses frequently “wear many hats” and interchange labor as needed.

The Committee did not agree with the carrier viewpoint that the employee worked in a physically separate office as defined in the Manual. The Committee maintained the employee worked in an area where residents, visitors, doctors and other people regularly pass by and may ask questions, request information or register complaints if they were so inclined. The Committee considered the employee in question to be working in a “hub of activity” and not in a physically separate office. The Committee remarked the nearby sitting area, television room, elevator and dining room as all areas that surround the area where Ms. Ramsdell works and should be considered part of the facility.

The Audit Committee voted to sustain the Bureau’s position on this test audit.

The carrier then filed an appeal with the Appeals Subcommittee of the PCRB.

In presenting their appeal the carrier representatives reiterated and clarified the presentation made to the Audit Committee. Since the essence of the dispute was the physical location of the receptionist a detailed floor plan was provided to the Subcommittee. It was explained the receptionist is located in an area adjacent to the administration offices of the personal care home. This area is surrounded by walls on three sides and is across from the lobby and elevators. The carrier representatives stressed that the location of the receptionist was not part of the insured’s main residential area and was not exposed to the operations of the main facility. In their opinion the location of this employee qualified as being physically separate and therefore eligible for Code 953.

To further support their position the carrier representatives argued the Bureau has not been consistent in the classification of receptionists. Three test audits were specifically cited as evidence of this inconsistency. In fact, according to the appellants, Code 953 has been permitted by the Bureau in certain instances where the physical separation was even less pronounced than in the case of their appeal. In addition the carrier contended both the NCCI and New Jersey would permit the use of Code 953 under similar circumstances.

Bureau staff responded to the physical separation issue by directly quoting from the carrier’s own audit where it stated that the receptionist’s desk is not physically separate from the main hall by floor to ceiling partitions. The carrier conceded the original audit indicated a lack of physical separation but maintained that they now believe differently and that there is physical separation such that Code 953 can be properly applied.

Regarding the issue of inconsistency, Bureau staff previously (after the Audit Committee meeting) attempted to review the test audits cited. Unfortunately it was found that these documents had been purged and were therefore not available for detailed scrutiny. Nonetheless Bureau staff recalled that in one of the instances cited, contrary to the assertions of the carrier representatives, the receptionist in question was assigned to the employer’s governing

classification. In another instance the employer was not a nursing home and as such did not necessarily present a comparable situation in terms of the classification of its receptionist.

In executive session the Subcommittee reviewed the information presented as well as Manual rules. In particular the Manual definition for clerical office employees was discussed. The Subcommittee concluded the receptionist for the nursing home did not meet the Manual definition for physical separation required for assignment to Code 953. It was acknowledged that a receptionist in a nursing home facility not only greets and directs visitors but provides a measure of security for those visitors as well as the residents. Therefore the receptionist must be situated so that he or she is accessible to visitors, residents and nursing home personnel. Such an arrangement, absent unique and extenuating circumstances, invariably precludes the assignment of Code 953.

The Subcommittee voted to accept the Bureau's test audit results which assigned the receptionist for the nursing home to Code 979, Residential Facility for the Elderly-Medical.