



September 20, 2016

**DCRB CIRCULAR NO. 921**

To All Members of the DCRB:

Re: **MANUAL REVISIONS TO SECTION 2 - DCRB FILING NO. 1604  
APPROVED EFFECTIVE DECEMBER 1, 2016**

- (1) Code 941, Social Rehabilitation Facility**
- (2) Code 986, Shelter Or Halfway House – Residential – Non-Medical**

The DCRB has filed and the Insurance Commissioner has approved Manual revisions to Section 2 intended to clarify the scopes of Code 941 and Code 986. These revisions will become effective for new and renewal policies as of 12:01 a.m. December 1, 2016 and later. This effective date makes the implementation of these changes concurrent with DCRB's normal annual comprehensive residual market rate and voluntary market loss cost filing, which was filed with the Insurance Commissioner on August 2, 2016 (see DCRB Circular No. 920).

The revisions included in this filing are summarized in sequence below. The revisions are intended to assist in the administration of Code 941 and Code 986 and do not change the scope of either classification.

**(1) Code 941, Social Rehabilitation Facility**

DCRB Filing No. 1604 was based in part on a class study of Code 941. For this study, DCRB staff performed a file by file review of employers reporting payroll to Code 941 and an examination of Delaware Department of Health and Social Services (DHSS) licensing and regulations. DCRB found the scope of Code 941 to be sound and concluded that the Code 941 Section 2 Manual language should be revised to more clearly identify the types of facilities classified to Code 941 by citing the specific DHSS licenses applicable to such facilities.

**(2) Code 986, Shelter or Halfway House – Residential – Non-Medical**

The Pennsylvania Compensation Rating Bureau (PCRB) completed a study of Code 986 in 2015. The object of the study was to determine whether time parameters should be placed on the average client length of stay in a Code 986 facility, and based on such average stay, if PCRB should define the phrase "short term" in the Code 986 class description. Pursuant to a file by file review of employers reporting payroll to Code 986, PCRB found the scope of the classification to be sound and determined that length of stay was not meaningfully associated with loss experience. PCRB proposed that the phrase "short term" be deleted from the Code 986 classification description, that the scope of Code 986 be clarified by noting that it applies to facilities for adults and that the "Operations Not Included" segment of the class description be revised. The

Pennsylvania Insurance Commissioner approved PCR's Code 986 study proposals effective for new and renewal business as of 12:01 a.m. April 1, 2016. Given that the PCR Code 986 study results showed the scope of Code 986 to be sound, DCRB determined that a file by file review of the thirty Delaware employers classified to Code 986 was not needed in order to propose similar revisions to the Delaware Code 986 class description and Underwriting Guide.

If there are any questions regarding this circular, please contact Dave Rawson, Technical Director, Classification & Field Operations, at (215) 320-4501, or at [drawson@dcrb.com](mailto:drawson@dcrb.com). The approved revisions to the Delaware Manual language are attached. The Basic Manual will be updated on DCRB's website ([www.dcrb.com](http://www.dcrb.com)) at a later date.

William V. Taylor  
President

# DELAWARE WORKERS COMPENSATION MANUAL OF RULES, CLASSIFICATIONS AND RATING VALUES FOR WORKERS COMPENSATION AND FOR EMPLOYERS LIABILITY INSURANCE

*Proposed Effective December 1, 2016*

**INFORMATION PAGE** remains unchanged.

**PREFACE** remains unchanged.

**MEMBERSHIP** remains unchanged.

**SECTION 1 – Underwriting Rules** through **SECTION 1 – Appeals Procedure** remain unchanged.

**SECTION 2 – Rating Values** through **SECTION 2 – Definitions** remain unchanged.

## **SECTION 2 – Classifications**

**941 SOCIAL REHABILITATION FACILITY** – For adults or children – all employees including office.

Applicable to non-medical residential care facilities providing a transitional non-institutional environment in a group setting which emphasizes through guidance and counseling the social rehabilitation and the eventual reintegration of the resident into the community or reuniting the resident with family. The residents of such facilities will normally be either adults or children diagnosed with intellectual disabilities and/or developmental disabilities, adults or children diagnosed with mental illness, adults or children with traumatic brain injuries, children who have been neglected or abused, children with behavioral disorders or court adjudicated children who have been removed from their homes. Clients in these facilities may access daily community based programs appropriate to their condition.

### **OPERATIONS ALSO INCLUDED:**

1. Additional programs, e.g., daycare, respite care and prevocational training programs, provided by group home operators primarily for their residential clients shall be included within the scope of Code 941.
2. Community Living Arrangements are non-licensed apartment or townhome settings offering residential services for persons with intellectual and/or developmental disabilities similar to those provided by Neighborhood Homes
3. Group Homes For Persons With Mental Illness are licensed residences providing mental health treatment, rehabilitation and housing for between 3 and 10 adults with primary diagnosis of psychiatric disabilities
4. Neighborhood Homes for Persons with Developmental Disabilities are licensed facilities defined as a standalone house within the community that serves up to 5 individuals with developmental disabilities in a single-family home setting.
5. Residential Child Care Facilities and Day Treatment Program are licensed residential child care facilities regardless of client count
6. Rest (Family) Care Homes which are licensed homes that provide beds and personal care services for 2 or 3 residents who cannot live independently and who need or could benefit from a family living situation. The home provides shelter, housekeeping services, food/meals and personal care for residents.

### **OPERATIONS NOT INCLUDED:**

1. Training programs that pay the trainees for services rendered shall be separately classified as provided in this Manual.
2. Assign Code 940 to facilities licensed as Intermediate Care Facilities (ICF/MR)
3. Assign Code 964 to the separate staff of a work center/sheltered workshop.
4. Assign Code 976 for adult day center or prevocational training programs operated by a residential services provider which are primarily attended by non-residents and which fulfills the multiple enterprise criteria delineated in Rule IV, Section 1 of this Manual.
5. Assign Code 979 to facilities licensed as Rest (Residential) Homes
6. Assign Code 986 to drug and alcohol halfway houses, adult shelters for the homeless, victims of domestic abuse, maternity homes or pre-parole halfway houses.

**DELAWARE WORKERS COMPENSATION MANUAL OF RULES, CLASSIFICATIONS AND RATING  
VALUES FOR WORKERS COMPENSATION AND FOR EMPLOYERS LIABILITY INSURANCE**

*Proposed Effective December 1, 2016*

**UNDERWRITING GUIDE**

Child Residential Facilities

Community Living Arrangement (CLA) for the Intellectually And/Or Developmentally Disabled

Group Homes For Persons With Mental Illness

Neighborhood Homes For Persons with Intellectual And/Or Developmental Disabilities

Rest (Family) Care Homes

**SECTION 3 – Endorsements** through **SECTION 6 – Merit Rating Plan** remain unchanged.

**DELAWARE WORKERS COMPENSATION MANUAL OF RULES, CLASSIFICATIONS AND RATING  
VALUES FOR WORKERS COMPENSATION AND FOR EMPLOYERS LIABILITY INSURANCE**

*Proposed Effective December 1, 2016*

**INFORMATION PAGE** remains unchanged.

**PREFACE** remains unchanged.

**MEMBERSHIP** remains unchanged.

**SECTION 1 – Underwriting Rules** through **SECTION 1 – Appeals Procedure** remain unchanged.

**SECTION 2 – Rating Values** through **SECTION 2 – Definitions** remain unchanged.

**SECTION 2 – Classifications**

**986 ADULT SHELTER OR HALFWAY HOUSE – RESIDENTIAL – NON-MEDICAL** – all employees including office.

Applicable to shelters for adults who are homeless, victims of domestic abuse or unwed mothers or to halfway houses for prison release programs or drug and alcohol residential facilities not otherwise classified. Such are non-medical residential facilities providing counseling and training in a non-institutional environment on daily living skills aimed at reintegrating residents into the community. The residents of these facilities are adults, but residents of domestic violence shelters may be accompanied by their minor children. Services provided to clients may also include but are not necessarily limited to: counseling for specific client needs, advocacy services, job training, child care and help in seeking services available to the clients in the community. All provided services and the insured's administrative staff (regardless of location) are included within the scope of this class.

**OPERATIONS NOT INCLUDED:**

1. Assign Code 940 to residential facilities licensed as Intermediate Care Facilities (ICF/MR or ICF/IID) which house any number of intellectually or developmentally disabled clients.
2. Assign Code 941 to children and youth residential services or to facilities providing non-medical residential care such as Group Homes For Persons With Mental Illness, Neighborhood Homes, community living arrangements for intellectually or developmentally disabled clients or Rest (Family) care homes.
3. Assign Code 958 to residential drug or alcohol addiction detoxification facilities licensed by the State of Delaware as Medical or Social Setting Detoxification.

**UNDERWRITING GUIDE**

Alcohol/Drug - Halfway House Or Residential Program Not Licensed As Medical Or Social Setting  
Detoxification  
Halfway House - Pre-Parole Or Probation  
Maternity Home - No Medical Services  
Shelter For The Homeless  
Shelter For Victims Of Domestic Abuse

**SECTION 3 – Endorsements** through **SECTION 6 – Merit Rating Plan** remain unchanged.