

Texas
Department
of Insurance

Workers' Comp Update

a publication of the Division of Workers' Compensation

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eBill Requirements Effective January 1, 2008

THE ELECTRONIC BILLING and Reimbursement Project was initiated in the Fall of 2005. House Bill (HB) 2511 (76th Texas Legislature, Regular Session) added Labor Code §401.024 to allow electronic transactions in place of paper forms and documents in the workers' compensation system. HB 2511 set goals to reduce the amount of paper in the system, including the 5-6 million medical bills processed each year.

The key benefits of electronic billing are expected to include:

- reduction in lost and misrouted/misfiled bills;
- acknowledgment of receipt of medical bills;
- reduction in processing time frames, and
- reduction in administrative costs.

HB 7 (79th Texas Legislature, Regular Session) required the Commissioner of Workers' Compensation to adopt electronic billing, reimbursement and payment rules. The rules were adopted in July 2006 and were effective on January 1, 2008. The rules require all health care providers and insurance carriers to be able to exchange medical billing, reimbursement, and documentation electronically. The rules establish prescribed formats for electronic medical billing but allow for the use of non-prescribed formats that contain all required elements. The rules also establish waiver provisions related to the size of the provider practice and the financial burden created by compliance.

The eBill initiative in Texas was aligned with national standards and health care industry practices. In order to take advan-

tage of existing technology and relationships, unique specifications for workers' compensation were minimized and industry forms, code sets, and processes were utilized.

National standard formats adopted by Federal Health Insurance Portability and Accountability Act (HIPAA) rules, and associated code sets, are adopted by the Division as prescribed formats. Other national standard formats not adopted by HIPAA are also adopted by the Division as prescribed formats. HIPAA information and resources are available from the Centers for Medicare and Medicaid Services (CMS) at www.cms.hhs.gov and through the CMS contracting publishing company, Washington Publishing Company, at www.wpc-edi.com.

Direction on the use of the national code sets, including Texas workers' compensation specific requirements, is included in the *Texas Clean Claim and Electronic Billing and Payment Companion Guide*. The guide also includes instructions for completing paper medical billing forms and the paper form *Explanation of Benefits (EOB)*, DWC

The benefits of eBilling include a reduction in lost and misrouted bills and a reduction in processing timeframes.

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In 2008, the Division of Workers' Compensation's major initiatives will include continued work on health care fee schedules, development of a pharmacy formulary, monitoring of electronic billing implementation and rulemaking to implement law changes from the 80th legislative session.

The Division's items for consideration this year are:

- monitoring and reporting on injury data submitted by subscribers and nonsubscribers;
- identifying automation solutions for internal and external customers;
- performing a data call to assess appropriateness of peer review use;
- working with stakeholders to identify next steps for performance-based oversight (PBO) measures;
- improving processing timeframes for medical disputes and reduce hearing and appeals process timeframes where possible;
- working with providers, employers, and carriers to develop a cooperative return-to-work initiative; and
- working with carriers and providers to develop alternative utilization review approaches.

As always, our progress on these planned activities will depend on the participation and cooperation of all system participants.

Albert Betts

Commissioner of Workers' Compensation

The basic goals of the Workers' Compensation System of this state are as follows:

- 1** each employee shall be treated with dignity and respect when injured on the job;
- 2** each injured employee shall have access to a fair and accessible dispute resolution process;
- 3** each injured employee shall have access to prompt, high-quality medical care within the framework established by this subtitle; and
- 4** each injured employee shall receive services to facilitate the employee's return to employment as soon as it is considered safe and appropriate by the employee's health care provider.

Texas Labor Code § 402.021

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The staff that prepares this newsletter has no role in proposing, drafting, editing, or approving TDI rules or policies or interpreting statutes. **Workers' CompUpdate** should not be construed to represent the policy, endorsement or opinion of the Commissioner of Insurance, the Commissioner of Workers' Compensation or the Texas Department of Insurance. By necessity, summaries of proposed and adopted rules cannot explain their full complexity. Readers interested in complete information about administrative rules should consult the versions published in the Texas Register.

To the best of the staff's ability, information presented in this newsletter is correct as of the publication date, but scheduled dates and proposed rules and amendments may change as the adoption process goes forward.

Workers' CompUpdate is available online at:

<http://www.tdi.state.tx.us/wc/publications.html> under "News and Publications."

Workers' Comp eBill Requirements

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Form-062. The eBill Companion Guide, along with other eBill information, is available on the agency website at: www.tdi.state.tx.us/wc/ebill/index.html.

Interstate cooperation

The California Department of Industrial Relations, Division of Workers' Compensation and TDI-DWC collaborated to align eBill project approaches, formats, and implementations.

In cooperation with industry stakeholders, both states approached the International Association of Industrial Accident Boards and Commissions (IAIABC) about the feasibility of establishing national standards for electronic billing and reimbursement for workers' compensation. The standard electronic formats and companion guides developed by Texas and California are being evaluated as resources for potential national standards.

Texas and California, along with the IAIABC, have been successful in working with national standard setting organizations, such as the American National Standards Institute (ANSI) and the National Council for Prescription Drug Programs (NCPDP), to address workers' compensation specific business needs.

House Interim Study Charges

TEXAS SPEAKER OF THE HOUSE Tom Craddick recently released interim study charges for various House of Representatives committees. Two charges related to the workers' compensation system were assigned to the House Business and Industry Committee (Rep. Helen Giddings, chair) and the House Insurance Committee (Rep. John Smithee, chair):

The Court held that a premises owner that “undertakes to procure” work falls within the definition of general contractor.

- Monitor the Texas workers' compensation system, and the continued implementation of the reforms of HB 7, 79th Legislature, Regular Session, by the Texas Department of Insurance and other state agencies. Specifically evaluate the recent decision by the Texas Supreme Court in *Entergy v. Summers* in terms of its impact on the system. (Joint Interim Charge to House Committee on Business and Industry and House Committee on Insurance).
- Study the original purposes, development, and current need for the Subsequent Injury Fund (SIF) and determine whether this fund should be continued or altered. (Business and Industry).

TDI-DWC is currently studying the impact of the Supreme Court ruling on the workers' compensation system and has prepared a summary of the history of the SIF, including recent legislative changes, for the information of system participants.

Entergy court ruling

An August 2007 ruling by the Texas Supreme Court addressed the issue of whether a premises owner can also be a “general contractor” under the Texas Labor Code and thus qualify for the exclusive-remedy defense against lawsuits.

In the case titled *Entergy Gulf States, Inc. v. John Summers*, No. 05-0272, the respondent Summers was an employee of International Maintenance Corp (IMC). IMC contracted with Entergy to perform

work at Entergy's Sabine plant. Entergy provided workers' compensation insurance to cover IMC employees working at the Sabine plant. Summers was injured while working at the Sabine plant. He received workers' compensation benefits and also sued Entergy for negligence.

The Court stated that workers' compensation benefits are an employee's “exclusive remedy” against an employer for covered work-related injuries under the Labor Code §408.001(a). The definition of a “general contractor” in Labor Code §406.121(1) is “a person who undertakes to procure the performance of work or a service, either separately or through the use of subcontractors.” Also Labor Code §406.123(a) and (e) states that a general contractor “may enter into a written agreement [with a subcontractor] under which the general contractor provides workers' compensation” coverage to the subcontractor and the subcontractor's employees, and such an agreement “makes the general contractor the employer of the subcontractor and the subcontractor's employees” for purposes of the workers' compensation laws.

Finally, Labor Code §406.121(5) states a “subcontractor” is “a person who contracts with a general contractor to perform all or part of the work or services that the general contractor has undertaken to perform.”

The Court construed the statute to mean that Entergy is a general contractor because it “[undertook] to procure the performance of work” from IMC. The Court held that a premises owner that “undertakes to procure” work falls within definition of general contractor and rendered judgment in favor of Entergy. A Motion for Rehearing is pending before the Texas Supreme Court in this case.

Subsequent Injury Fund

The SIF was originally created by the Legislature in 1947 to facilitate the employment of handicapped persons, including disabled World War II veterans. The SIF

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House Interim Study Charges

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provided protections against employment discrimination as an unintended consequence of placing the financial responsibility for work-related disability on each employer through the workers' compensation system. As originally conceived, the employer or the insurance carrier would be liable only for the compensation payable for the second injury if an employee who had previously lost a leg, eye or hand should lose a second leg, eye or hand in a work-related incident. The SIF would be liable for the remainder of any total and permanent disability award. This mechanism for funding the increased benefit costs resulting from pre-existing injuries continues to be accomplished through lifetime income benefits paid to eligible injured employees.

Since 1991, the responsibilities of the SIF have expanded to include claims not related to second injuries as follows. The SIF must reimburse insurance carriers:

- when decisions of the Division have resulted in the overpayment of benefits in a claim;
- where an employee's multiple employment causes an increase in indemnity benefits; and
- for certain pharmaceutical costs incurred on claims that are ultimately determined to be non-compensable.

The 80th Legislature passed two bills that affected the SIF. House Bill (HB) 724 by Rep. Burt Solomons expanded the list of legal beneficiaries that may be entitled to receive death benefits following the compensable death of an injured employee. Senate Bill (SB) 1169 by Sen. Kyle Janek provided for the reimbursement to insurance carriers when Designated Doctor opinions result in an overpayment of benefits. SB 1169 also amended the Labor Code to provide for reimbursement to insurance carriers for death benefits where an employee's multiple employment causes an increase in death benefits.

The SIF formerly was funded solely by the payment of 364 weeks of death benefit payments from insurance carriers where a compensable death occurs and there is no eligible legal beneficiary. HB 724 added "eligible parents" to the list of legal beneficiaries. An eligible parent is not a dependent of the deceased and may be eligible for death benefits if there is no eligible spouse, child, grandchildren, or surviving dependents of the deceased who are parents, siblings, or grandparents. Eligible parents can receive a maximum of 104 weeks of death benefits. The remaining weeks of death benefits are paid to the SIF for a total of 364 weeks.

Insurance carriers have been required to pay benefits based on the opinion of Designated Doctors. SB 1169 allows carriers to obtain reimbursement from the SIF for overpayment of benefits made under a Designated Doctor opinion if that opinion is later reversed or modified by a final arbitration award or a final order or decision of the Commissioner of Workers' Compensation or a court. Changes in the law also provide for reimbursement of death benefits from the SIF in the event of a compensable fatal injury and the amount of benefits is affected by a claimant's multiple employment. The prior law only provided for reimbursement of income benefits in multiple employment cases.

Since 1991, the responsibilities of the SIF have expanded to include claims not related to second injuries

System Health Care Changes as of September 1, 2007

Designated Doctors and doctors certifying MMI and Impairment Ratings still must comply with training and approval requirements.

EFFECTIVE SEPTEMBER 1, 2007, doctors are no longer required to be approved or trained by the Texas Department of Insurance, Division of Workers' Compensation (TDI-DWC) to provide treatment to injured employees in the workers' compensation system. TDI-DWC will continue to regulate health care in the system, however.

Participating doctors must continue to disclose financial interest in other providers, practitioners and facilities, etc. to TDI-DWC. Helpful information about financial disclosure requirements can be found at: www.tdi.state.tx.us/pubs/fastfacts/ff-financialdisclosure.pdf.

Designated Doctors and doctors certifying Maximum Medical Improvement/Impairment Ratings for injured workers still must comply with training and approval requirements established by TDI-DWC.

Doctors are encouraged to take advantage of training and other valuable system information available at: www.tdi.state.tx.us/wc/hcprovider/index.html#provider.

TDI-DWC maintains an online listing of doctors licensed to practice in Texas through the TXCOMP Provider system available at: www.tdi.state.tx.us/wc/information/locatedoctor.html.

The agency also has posted a list of providers who have been sanctioned by TDI-DWC on the agency website at: www.tdi.state.tx.us/wc/hcprovider/doctordata.html This list includes doctors who have been removed, deleted or were denied admission to the Approved Doctors List. These doctors may not treat injured employees.

Labor Code §413.0511 requires the Medical Advisor to monitor the quality of health care for injured employees. Medical quality reviews, conducted by the Medical Quality Review Panel (MQRP), ensure that injured employees receive reasonable and medically necessary health care in a timely and cost-effective manner.

The Medical Advisor also reviews the actions of peer review doctors, designated doctors, doctors performing required medical examinations, insurance carriers, Utilization Review Agents (URAs) and Independent Review Organizations (IROs) handling network and non-network claims.

The criteria for imposing sanctions on providers may include anything the agency considers relevant, but are not limited to:

- substandard medical care;
- violation of the Texas Workers' Compensation Act or the Division's rules;
- overcharging and/or over-utilization of medical services; and,
- failure to practice medicine or provide healthcare, including chiropractic care, in a manner consistent with evidence-based medicine, the public health, safety, and welfare.

Some of the possible sanctions for providers include, but are not limited to:

- increased preauthorization requirements, required treatment planning, and/or reduction of allowable reimbursement;
- denial of a doctor's ability to treat injured workers;
- restricting the role of the particular healthcare provider; and,
- mandatory participation in training.

Filing a Complaint in the Workers' Compensation System

THE DIVISION of Workers' Compensation administers processes to resolve disputes, which are disagreements between system participants involving the entitlement to workers' compensation benefits and the amount to be paid. In addition, the Texas Department of Insurance receives complaints, which are grievances regarding system participant compliance with duties to perform that exist in the Texas Labor Code and/or Texas Administrative Code.

A complaint is filed when something hasn't happened or didn't happen timely, i.e., a temporary income benefit check hasn't been received or was received late. A dispute is filed when an action has occurred, but one or more parties are dissatisfied with the outcome, i.e., a health care provider receives a denial Explanation of Benefits and does not agree with the denial of payment.

Following is a brief description of the TDI-DWC's processes for handling workers' compensation system complaints. Information about how to file a complaint is available on the agency website at: www.tdi.state.tx.us/consumer/complfrm.html#wc

Before filing a complaint, a party should determine if the issue is a dispute that should be addressed through the Division's Hearings or Medical Fee Dispute Resolution processes, or through Health and Workers' Compensation Network Certification and Quality Assurance processes. For assistance in determining if an issue is a dispute that can be addressed in this manner, contact Customer Service at **1-800-373-7713** or **512-804-INFO**.

Filing a Complaint

In order to initiate the complaint process, a party must complete the required form and submit it to TDI-DWC. Obtain the *Texas Department of Insurance Complaint Form* at <https://wwapps.tdi.state.tx.us/inter/perlrout/consumer/complform/complform.html> Read the sections

"Before Filing a Complaint" and "Before Clicking Submit" prior to submitting a referral. The instructions will let you know what additional documentation to attach and that the form with supporting documentation should be mailed or faxed to the TDI-DWC. Mail or fax the completed form with supporting documentation to TDI-DWC at the address or fax telephone number listed on the form. If the complaint is being initiated without supporting documentation, the *Texas Department of Insurance Complaint Form* can be completed online and submitted via e-mail by pressing the button "submit complaint" that is located on the bottom of the form.

TDI Fraud Complaints

Insurance Carriers:

Please use the online form when submitting suspected insurance fraud to the Texas Department of Insurance Fraud Unit. The online form may be obtained at <http://www.tdi.state.tx.us/fraud/frsiufrpt.html>. You must have some minimal information on a subject, including a first and last name, to use the form. If you do not have this information, please use our downloadable form and mail it in. If you have supporting documentation to include with your report, please do not use this form. Follow the instructions on the form to download and mail a printable form.

Consumers:

Please use the on line form when submitting suspected fraud for review by the Texas Department of Insurance Fraud Unit. The form may be obtained at <https://wwapps.tdi.state.tx.us/inter/asproot/fraud/rptfrd/confraud.asp>.

If you have supporting documentation to include with your report, please do not use this form. Follow the instructions on the form to download and mail a printable form.

Regional Safety Summits Planned for 2008

Preventing injuries can help reduce costs to employers and to the workers' compensation system overall.

PREVENTING WORKPLACE INJURIES and illnesses is key to an employer's arsenal in combating workers' compensation costs. In addition to medical costs, work-related injuries typically involve many indirect costs such as damaged equipment, supplies, or product; loss of production; hiring and training of replacement workers; loss of morale; counseling for affected employees; and public relations issues.

Preventing the most common sources of nonfatal injuries – sprains and strains – and the leading cause of work-related fatalities – transportation related incidents – can help reduce costs to employers and to the workers' compensation system overall. The Division of Workers' Compensation is presenting regional workplace safety workshops across the state to educate employers on how to prevent these types of incidents.

Each Regional Summit will offer training session topics including Workplace Ergonomics, Moving Safely While You Work, Back Injury Prevention, Drug-Free Workplace, Motor Vehicle/Driving Safety, and Driving Stress and Distraction Free. The workshops through April also will offer the Occupational Safety and Health Administration (OSHA) 10 Hour Construction course (completion cards provided). Instruction on preventing injuries in the health care industry will replace the construction track at the Regional Safety Summits in Houston, Lubbock and Arlington.

Texas State Technical College in Waco will provide continuing education credits (.1 CEU per 1 class hour) for attendance at the regional summits. The cost is \$125 per person and includes coffee and snacks.

Register online at www.tdi.state.tx.us/wc/safety/employers.html under "Regional Training Seminars," or call contact the Division at **512-804-4610** or via e-mail to: safetytraining@tdi.state.tx.us.

TDI-DWC 2008 Regional Safety Summits

DATE	CONFERENCE	LOCATION
January 15	Alamo City Safety Summit	Henry B Gonzales Convention Center, 200 E. Market Street San Antonio
February 6	Coastal Bend Safety Summit	TEA Regional Education Service Center Region 2 209 North Water Street Corpus Christi
March 12	High Desert Safety Summit	Camino Real Hotel 101 South El Paso Street El Paso
April	South Texas Safety Summit	Brownsville (date and location TBA)
June	Bayou City Safety Summit	Houston (date and location TBA)
July	Cotton Belt Safety Summit	Lubbock (date and location TBA)
August	Metroplex Safety Summit	Arlington (date and location TBA)



New Fee Guidelines Adopted for Providers and Hospitals

Commissioner of Workers' Compensation Albert Betts has signed rules to update a medical fee guideline for health care providers, to establish a hospital outpatient fee guideline and to update a hospital inpatient fee guideline for the Texas workers' compensation system (28 Texas Administrative Code §§134.1, 134.2, 134.203, 134.204, 134.403 and 134.404). The medical fee guideline rules relate to professional service reimbursements to health care providers who provide medical treatments and services to injured employees on or after March 1, 2008. The outpatient and inpatient hospital fee guidelines rules apply to inpatient admissions and outpatient dates of service for injured employees on or after March 1, 2008.

The medical fee guideline and outpatient and inpatient hospital fee guidelines rules are posted on the agency website at: www.tdi.state.tx.us/wc/rules/adopted/adopted.html.

Comments Sought on Ambulatory Surgical Center Fee Rule

An informal working draft rule concerning reimbursements for ambulatory surgical center services for workers' compensation injuries has been posted to the agency website for stakeholder comment. The informal working draft rule includes the removal of the temporary freeze on reimbursement rates provided in 28 Texas Administrative Code §134.402, which was adopted in December 2007.

Comments on the informal working draft rules will enable TDI-DWC to propose formal rules to more effectively regulate the workers' compensation system. Comments on the informal working draft rules are not comments on any formal rules. System participants will have the opportunity to comment on formal proposed rules after the rules are published in the *Texas Register*.

www.tdi.state.tx.us/wc/indexwc.html

The informal working draft rules are posted on the agency website at: <http://www.tdi.state.tx.us/wc/rules/planning/documents/draftasc0108.pdf>.

Written comments on the rule can be submitted to the TDI-DWC via e-mail to InformalRuleComments@tdi.state.tx.us by February 8, 2008.

Commissioner Betts Signs Performance-Based Oversight Incentive Rule

Commissioner of Workers' Compensation Albert Betts has signed a rule establishing incentives for performance-based oversight (28 Texas Administrative Code §180.19). TDI-DWC will offer incentives to the insurance carriers and health care providers who were assessed for overall compliance and placed into a regulatory tier in August 2007. These incentives include limited audit exemption, public recognition and modified penalties depending on the tier placement of the insurance carrier or health care provider. The performance-based oversight incentive rule is posted on the agency website at: www.tdi.state.tx.us/wc/rules/adopted/adopted.html.

TDI-DWC Responds to Conference Attendee Questions

The Division of Workers' Compensation has posted answers to questions posed by conference attendees during the Workers' Compensation Educational Conference held October 24 – 26, 2007 in Dallas. The answers can be viewed on the agency website at: <http://www.tdi.state.tx.us/wc/events/conference.html#qa>.

The answers provided are general answers reflecting the statute and rules on the date they were reviewed. These answers may be affected by subsequent changes in the rules or the statute and are intended for general knowledge and not specific application to all claims where the circumstances may vary with the specific facts of each injury.

Nonsubscriber Reporting and Notification Requirements

RECENT LEGISLATION REQUIRES the Texas Department of Insurance, Division of Workers' Compensation (TDI-DWC) to report biennially to the Texas Legislature information about employer non-coverage, work-related occupational injuries and illnesses, employer compliance with reporting requirements outlined below and administrative penalties assessed against non-complying employers starting in December 2008.

Employers Reporting No Workers' Compensation Insurance Coverage to TDI-DWC

All employers in Texas that do not carry workers' compensation insurance must notify TDI-DWC in writing, using the form *Employer's Notice of No Coverage or Termination of Coverage* (DWC Form-005), annually on the anniversary date of the original filing for as long as they remain in operation and do not carry workers' compensation insurance.

Reporting Injuries and Illnesses to TDI-DWC

Employers with five or more employees are required to notify TDI-DWC of each work-related injury resulting in the employee's absence from work for more than one day or occupational disease by the seventh day of the following month using the form *Non-Covered Employer's Report of Occupational Injury and Illness* (DWC Form-007).

Reporting No Workers' Compensation Insurance Coverage to Employees

Employers are required to notify their employees whether or not they carry workers' compensation insurance and to use the language in the New Employee Notice when notifying their employees in writing at the time of hire, and post the Notice 5, *Notice to Employees Concerning Workers' Compensation in Texas* in common areas.

Failure to comply with these reporting and notification requirements is an administrative violation and an employer may be subject to penalties.

Additional details about circumstances in which forms and notices must be used, as well as copies of the documents can be found online at <http://www.tdi.state.tx.us/wc/employer/index.html#employer>. Contact TDI-DWC at **512-804-INFO** (4636), or toll-free **1-800-372-7713** extension 4636 for more information.

Statute/Rule References: *Texas Labor Code* §§406.004(a), 406.004(e), 406.005, 411.032(a) and 411.032(c); *28 Texas Administrative Code* (TAC) §§110.101, Subchapter B and 160.2.

Consent Orders

division of workers' compensation

COMPANY	VIOLATION	ACTION TAKEN	ORDER NUMBER	DATE OF ORDER
ACE Property & Casualty Ins Co, et al of Philadelphia, PA	Inappropriately processed medical bills; failure to meet the minimum compliance standard of a medical bill process audit.	Fined \$87,727	DWC-07-0037	06/05/07
Alost, Thomas E., M.D. of El Paso	Failure to timely file and/or appropriately file reports, specifically the <i>Work Status Report</i> , DWC Form-073, failure to meet minimum compliance rates for a DWC Form-073 audit.	Fined \$3,500	DWC-07-0040	06/05/07
American Alternative Insurance Corporation of Princeton, NJ	Improper denial of payment for a medical service that was preauthorized.	Fined \$6,000	DWC 07-0104	09/28/07
American Casualty Company of Reading, PA; Continental Casualty Company, National Fire Insurance Company, Valley Forge Insurance Company, and Transportation Insurance Company all of Chicago, IL	Non-compliance with Texas Labor Code regarding Supplemental Income Benefits delivery.	Fined \$80,000	DWC-07-0076	08/23/07
American Home Assurance Company of New York, NY	An audit discovered 29 instances in which Temporary Income Benefits were paid late for the time period April 16 - May 31, 2004.	Fined \$33,500	DWC-07-0091	09/14/07
American Home Assurance Company of New York, NY	Failure to include the correct exception code or provide sufficient explanation at the time the carrier made payment or denied payment on a medical bill.	Fined \$3,000	DWC-07-0121	11/02/07
American Safety Casualty Insurance Company of Atlanta, GA	Failure to pay or refund IRO fees; failure to comply with a rule, order or decision of the Commissioner.	Fined \$8,000	DWC-07-0064	07/19/07
Bituminous Casualty Corporation of Rock Island, IL	Failure to timely process and take action on a medical bill.	Fined \$1,200	DWC-07-0042	06/05/07
City of Dallas	Failure to pay, reduce, deny or audit Health Care Providers claim; failure to take timely final action on a medical bill.	Fined \$5,000	DWC-07-0058	07/17/07
City of San Antonio	An audit discovered numerous violations of the Texas Labor Code related to medical bill processing, reporting of medical bill data and accuracy of reporting data.	Fined \$15,000	DWC-07-0092	09/14/07
Cumis Insurance Society, Inc. of Madison, WI	Failure to timely comply with a rule, order, or decision of the Commissioner, specifically a Medical Dispute Resolution order.	Fined \$7,500	DWC-07-0056	07/17/07
Dallas National Insurance Company of Dallas	Failure to timely initiate or file a written refusal to pay benefits with an explanation to the injured employee of their right to request a benefit review conference.	Fined \$5,000	DWC-07-0098	09/28/07
Diamond, Howard Gregg M.D. of Richardson, TX	Failure to timely file the <i>Report of Medical Evaluation</i> (DWC Form-069); failure to respond to Commissioner's request for clarification.	Fined \$2,500	DWC-07-0062	07/19/07
Employers Mutual Casualty Company of Des Moines, IA	Improper denial of payment for a medical service that was preauthorized.	Fined \$1,500	DWC-07-0103	09/28/07
Farmers Insurance Exchange, Truck Insurance Exchange, Mid-Century Insurance Company of Austin, TX	Failure to conduct on-site visits, or provide accident prevention services at least every 12 months to each policyholder.	Fined \$60,000	DWC-07-0105	09/28/07

Consent Orders

division of workers' compensation

COMPANY	VIOLATION	ACTION TAKEN	ORDER NUMBER	DATE OF ORDER
Federal Insurance Company of Warren, NJ	Failure to pay, reduce/deny or audit HCP claim; failure to timely process and take final action on a medical bill; failure to timely take final action on a correctly completed request for reconsideration; failure to pay or refund IRO fees; failure to comply with a rule or decision by the Commissioner.	Fined \$8,000	DWC-07-0054	07/17/07
Florists' Mutual Insurance Company of Edwardsville, IL	Failure to timely pay supplemental income benefits.	Fined \$5,000	DWC-07-0061	07/19/07
Gabel, Gerard, M.D. of Houston	Failure to timely file and/or appropriately file reports, specifically the <i>Work Status Report</i> , DWC Form-073, failure to meet minimum compliance rates for a DWC Form-073 audit.	Fined \$6,000	DWC-07-0041	06/05/07
Great American Alliance Insurance Company of Princeton, NJ	Failure to pay reasonable and necessary medical costs for medical services which were preauthorized by the insurance carrier.	Fined \$8,000	DWC-07-0132	11/30/07
Hernandez, Alvaro, M.D. of El Paso	Failure to timely file and/or appropriately file reports, specifically the <i>Work Status Report</i> , DWC Form-073, failure to meet minimum compliance rates of a DWC Form-073 audit.	Fined \$3,000	DWC-07-0039	06/05/07
Howard Douglas, M.D. of Denton	Failure to timely file the report of medical examination (two instances).	Fined \$2,000	DWC-07-0111	10/09/07
Hyatt Corporation of Chicago, IL	Failure to include the correct exception code or provide sufficient explanation at the time the carrier made payment or denied payment on a medical bill.	Fined \$2,000	DWC-07-0131	11/30/07
Indiana Lumbermens Mutual Insurance Company of Indianapolis, IN	Failure to timely take action on a health care provider's claim and a medical bill.	Fined \$5,000	DWC-07-0135	11/30/07
Insurance Company of the State of Pennsylvania of Harrisburg, PA	Failure to timely take action on a health care provider's claim and a medical bill (two instances).	Fined \$6,000	DWC-07-0123	11/02/07
John C. McConnell, M.D. of Greenville	Untimely or inappropriately filing of <i>Work Status Reports</i> with the insurance carrier discovered in a Division audit.	Fined \$2,000	DWC-07-0128	11/26/07
Kinzie, Daniel, M.D. of Midland	Failure to timely file and/or appropriately file reports, specifically the <i>Work Status Report</i> , DWC Form-073, failure to meet minimum compliance rates for a DWC Form-073 audit.	Fined \$4,000	DWC-07-0055	07/17/07
Liberty Insurance Corporation of Boston, MA	Failure to include the correct exception code or provide sufficient explanation at the time the carrier made payment or denied payment on a medical bill.	Fined \$2,000	DWC-07-0133	11/30/07
Liberty Insurance Corporation of Boston, MA	Failure to give sufficient explanation for a reduction or denial of a medical bill.	Fined \$2,800	DWC-07-0137	11/30/07
Liberty Insurance Corporation of Boston, MA	Failure to give sufficient explanation for a reduction or denial of a medical bill.	Fined \$5,000	DWC-07-0138	11/30/07

Consent Orders

division of workers' compensation

COMPANY	VIOLATION	ACTION TAKEN	ORDER NUMBER	DATE OF ORDER
Liberty Insurance Corporation, Liberty Mutual Insurance Company, Liberty Mutual Fire Insurance Company, Employers Insurance Company of Wausau, Wausau Business Insurance Company of Boston, MA and Wausau, WI	Failure to timely provide information to substantiate the medical necessity of the health care requested; failure to timely pay for services; failure to comply with a Contested Case Hearing Decision & Order; failure to timely comply with a benefit review conference interlocutory order; failure to confirm medical benefits coverage; failure to process claims promptly; failure to pay awarding benefits; unreasonably disputing the reasonableness and necessity of health care; failure to comply with a rule, order or decision of the Commissioner.	Fined \$50,000	DWC-07-0099	09/28/07
Liberty Insurance Corporation, Liberty Mutual Insurance Company, Liberty Mutual Fire Insurance Company of Boston, MA	Wrongful denial of preauthorized medical services.	Fined \$125,000	DWC-07-0100	09/28/07
Liberty Insurance Corporation, Liberty Mutual Insurance Company, Liberty Mutual Fire Insurance Company of Boston, MA	An audit of the companies revealed 694 inappropriately processed preauthorized medical bills for services paid between 01/01/04 and 12/31/04.	Fined \$175,000	DWC-07-0101	09/28/07
Liberty Insurance Corporation, Liberty Mutual Insurance Company, Liberty Mutual Fire Insurance Company of Boston, MA	Wrongful denial of preauthorized medical services.	Fined \$125,000	DWC-07-0102	09/28/07
Liberty Mutual Fire Insurance Company of Boston, MA	Failure to timely take action on a correctly completed request for reconsideration of a medical bill.	Fined \$2,000	DWC-07-0136	11/30/07
Longview Regional Medical Center of Longview	Violated Texas Labor Code § 413.042 by pursuing a private claim against a workers' compensation claimant.	Fined \$5,000	DWC-07-0122	11/02/07
Lumbermen's Underwriting Alliance of Boca Rotan, FL	Failure to timely comply with a Medical Dispute Resolution (two instances). Failure to timely respond to a Commissioner's Order to refund an independent review organization fee (one instance).	Fined \$25,000	DWC-07-0018	10/30/07
New Hampshire Insurance Company of Harrisburg, PA	Failure to reduce, deny, pay or audit Health Care Providers claim; failure to take final action on a medical bill.	Fined \$1,500	DWC-07-0057	07/17/07
Old Republic Insurance Company of Greensburg, PA	Failure to initiate temporary income benefits during the required time period.	Fined \$1,000	DWC-07-0038	06/05/07
Phoenix Assurance Company of New York, Connecticut Indemnity Company, Fire & Casualty Insurance Company of Connecticut of Charlotte, NC	Failure to timely pay initial Temporary Income Benefits; failure to comply with a rule, order or decision of the Commissioner.	Fined \$8,877	DWC-07-0075	08/23/07
Sentry Insurance, A Mutual Company of Stevens Point, WI	Failure to comply with a contested case hearing decision & order; failure to pay income benefits in a timely manner.	Fined \$9,500	DWC-07-0063	07/19/07
Westport Insurance Corporation of Overland Park, KS	Failure to conduct on-site accident prevention visits, or other appropriate services, at least every 12 months for each policyholder (two instances).	Fined \$8,000	DWC-07-0134	11/30/07

Division of Workers' Compensation Contact Information

www.tdi.state.tx.us/wc/dwcccontacts.html

Customer Service	1-800-252-7031
(Injured Worker Hotline; Claim Services; Hearings Customer Relations; Medical Review; Medical Dispute Status; Legal & Compliance)	or local office/(Austin) 512-305-7238
Workplace Safety/OSHCN	1-800-687-7080
(Accident Prevention Services; WC/Safety Resource Center; Workplace Safety)	
Safety Violations Hotline	1-800-452-9595
Fraud Hotline	512-463-6700 or 1-888-327-8818
EDI/TXCOMP HelpDesk	1-888-4-TXCOMP (1-888-489-2667)
Government Relations	512-463-6651
Human Resources	512-804-4450
Speakers' Bureau	512-804-4685
Open Records	512-804-4434
Public Information/Publications	512-463-6425 512-804-4240
Switchboard	512-804-4000
Stay at Work/Return to Work	512-804-5000
Office of Injured Employee Counsel	1-866-EZE-OIEC (1-866-393-6432)

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