

ADVISORY NO. 370
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TOPIC: CARRIERS MUST PREPAY IRO IN PREAUTH DISPUTES

For preauthorization issues, Carriers are aware that Carriers must prepay the IRO at the time the file is assigned to the IRO. Rule 133.308(r). Our firm sends the attached notice of the IRO setting and with IRO payment instructions in bold. Notwithstanding this common knowledge and this very emphasized reminder, carriers are often failing to prepay the IRO. TWCC has been processing violations for this failure.

From the TWCC point of view, they are preoccupied with enforcing something that should be automatic. This is happening with alarming frequency and this has become a source of acute frustration at TWCC. **TWCC will almost certainly raise the level of consequences for continued failure to comply with this obligation.** It is very important for each claims office to address this recurring violation. Even though everyone knows we are supposed to do it, this advisory should be communicated to each claims person responsible for this task.

If our firm receives a notice of nonpayment of an IRO fee, we will direct an automatic notice to your compliance contact in each office. If we are instructed by you to send the notice to the manager of the office, we will do that. If we can assist you in better accomplishing this task, please let us know.

We do urge each carrier to voluntarily address this continuing problem.