



ADVISORY NO. 458

TOPIC: INITIAL PAYMENT OF TIBS VIOLATION REFERRALS

In the last month we have seen a sharp increase in the number of violation referrals at the Complaint Resolution level. It is the Complaint Resolution unit of System Monitoring & Oversight that is charged with sending violation referrals to the system participants. The violation referrals are for the alleged failure of Carriers to timely issue its initial payment of TIBs.

FO&L has now received confirmation that the violation referrals are internal. The Monitoring & Analysis Unit of DWC's System Monitoring & Oversight Unit track EDI filings. Based upon those filings, Monitoring & Analysis can identify late initial payments of TIBs. This is significant for carriers for several reasons, not the least of which is that the initial payment of TIBs represents a PBO measure that accounts for forty percent (40%) of the carrier's PBO rating. The next PBO rating for carriers is scheduled to be posted December 2010, and is based upon the carrier's actions between January 1, 2010 and June 30, 2010.

The carrier's duties with respect to the payment of initial TIBs and/or denial of TIBs (refusal to pay benefits) is governed by §409.021 of the Texas Labor Code and 28 TAC §124.3.

Carriers should create procedures to eliminate this type of violation, and during the PBO time frames, the carriers should be monitoring its adjusters' actions and those of its EDI vendors concerning initial pay.

If you have any questions concerning this Advisory, please contact James Sheffield.