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**ANNUAL REPORT**  
**Fiscal Year 2014**  
*(July 1, 2013-June 30, 2014)*

**North Carolina**  
**Industrial Commission**

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## **North Carolina Industrial Commission – At a Glance**

### **Report for FY 2014**

(July 1, 2013 – June 30, 2014)<sup>1</sup>

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Workers' Compensation Claims	72,139
Form 26A <i>Employer's Admission of Employee's Right to Permanent Partial Disability</i> agreements	6,542
Individuals trained at Industrial Commission's Safety Education Courses	13,430
Fraud Cases Reported	1,825
Penalties Collected	\$668,661
Medical Bills Reviewed	15,720
Cases Handled by the Medical Rehabilitation Nurses Section	468
Compromise Settlement Agreements Filed	9,788
Form 24 <i>Application to Terminate or Suspend Payment of Compensation</i> motions filed	1,485
Form 23 <i>Application to Reinstate Payment of Disability Compensation</i> motions filed	238
Medical Motions Filed	2,028
Contested Claims Referred to Mediation	8,225
Mediation Settlement Rate	75.0%
Deputy Commissioner Cases Settled After Hearing Date Set	2,176
Deputy Commissioner Hearings Held	1,629
Cases Appealed to the Full Commission <sup>2</sup>	654

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<sup>1</sup> The report is provided in accordance with N.C. Gen. Stat. § 97-78(e). The information sets forth the number of filings for the various documents for the fiscal year of 2013-2014.

<sup>2</sup> Total number reflects cases prepared for Full Commission review, administrative appeals of *Pro Se* inmate torts, and medical motion appeals.

# The North Carolina Industrial Commission

## **Mission Statement**

The employees of the North Carolina Industrial Commission are committed to providing excellent customer service through the efficient administration of claims, facilitation of dispute resolution, fair and impartial adjudication of contested cases, careful application of the law, and prompt and courteous responsiveness to all stakeholders.

## **About the Commission**

The North Carolina Industrial Commission is an agency of the State of North Carolina, created by the General Assembly in 1929 to administer the North Carolina Workers' Compensation Act. In 1949, the Industrial Commission was also given authority by the General Assembly to administer the Tort Claims Act. Additionally, the Industrial Commission is charged with efficiently administering the Law Enforcement Officers', Firemen's, Rescue Squad Workers' and Civil Air Patrol Members' Death Benefits Act; the Childhood Vaccine-Related Injury Compensation Program; the Compensation to Persons Erroneously Convicted of Felonies; and the Eugenics Compensation Program.

The Full Commission consists of six Commissioners who are required by statute to devote their entire time to the duties of the Commission. The Commissioners are appointed by the Governor for staggered 6-year terms, and confirmed by the General Assembly. No more than three of the Commissioners can be representatives of employers and no more than three can be representatives of employees.

The Commissioners sit in panels of three to review appeals from decisions made by Deputy Commissioners who travel across the state hearing workers' compensation and tort claims cases. By statute, Commissioners may reconsider the evidence, receive further evidence, rehear the parties or amend in any way the decision by the Deputy Commissioner. See N.C. Gen. Stat. § 97-85. The Full Commission is the ultimate fact-finding body of the Industrial Commission and, therefore, only the findings of the Commissioners and not those of the Deputy Commissioners are deemed conclusive on appeal to the higher courts if supported by the evidence.

## **Full Commission Section Summary for FY 2013-2014**

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Cases Prepared for Full Commission Review	456
<i>Pro Se</i> Inmate Torts Appeals Heard Administratively	116
Medical Motion Appeals	82

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## Management and Operations

The Chairman of the Full Commission is, by statute, the Chief Executive Officer and Chief Judicial Officer of the Industrial Commission. The Chairman has the authority to direct and oversee the Industrial Commission and may delegate duties as needed for proper management of the Commission.

## Rulemaking Activities

House Bill 709, Session Law 2011-287, effective June 24, 2011, instructed the Industrial Commission to adopt rules, in accordance with Article 2A of Chapter 150B of the General Statutes. Pursuant to House Bill 709, the Commission adopted one hundred and fifty-two (152) rules which were reviewed by the Rules Review Commission over the course of three hearing dates in 2012. All 152 proposed rules were approved by the Rules Review Commission.

### *Senate Bill 174:*

Of the 152 approved rules, forty-two (42) received ten or more letters of objection and were subjected to legislative review under N.C. Gen. Stat. § 150B-21.3(b2). Senate Bill 174, S.L. 2013-294, was signed into law on July 18, 2013. The bill disapproved twenty-eight (28) of forty-two (42) rules that were subject to legislative review. The disapproved rules were as follows:

1. 04 NCAC 10A .0102 (Official Forms)
2. 04 NCAC 10A .0105 (Electronic Payment of Costs)
3. 04 NCAC 10A .0405 (Reinstatement of Compensation)
4. 04 NCAC 10A .0601 (Employer's Obligations Upon Notice; Denial of Liability...)
5. 04 NCAC 10A .0603 (Responding to a Party's Request for Hearing)
6. 04 NCAC 10A .0605 (Discovery)
7. 04 NCAC 10A .0608 (Statement of Incident Leading to Claim)
8. 04 NCAC 10A .0609A (Medical Motions and Emergency Medical Motions)
9. 04 NCAC 10A .0612 (Depositions and Additional Hearings)
10. 04 NCAC 10A .0613 (Expert Witnesses and Fees)
11. 04 NCAC 10A .0701 (Review by Full Commission)
12. 04 NCAC 10A .0704 (Remand from the Appellate Courts)
13. 04 NCAC 10A .0801 (Suspension of Rules)
14. 04 NCAC 10B .0501 (Suspension of Rules)
15. 04 NCAC 10C .0103 (Definitions)
16. 04 NCAC 10C .0108 (Interaction with Physicians)
17. 04 NCAC 10C .0109 (Vocational Rehabilitation Services Return to Work)
18. 04 NCAC 10C .0201 (Suspension of Rules)
19. 04 NCAC 10D .0110 (Suspension of Rules)
20. 04 NCAC 10E .0201 (Document and Record Fees)
21. 04 NCAC 10E .0202 (Hearing Costs or Fees)
22. 04 NCAC 10E .0203 (Fees Set by the Commission)
23. 04 NCAC 10E .0301 (Suspension of Rules)
24. 04 NCAC 10G .0104A (Foreign Language Interpreters)
25. 04 NCAC 10G .0107 (Compensation of the Mediator)

26. 04 NCAC 10G .0110 (Waiver of Rules)
27. 04 NCAC 10H .0206 (Waiver of Rules)
28. 04 NCAC 10I .0204 (Suspension of Rules)

Senate Bill 174 also instructed the Commission to make additional rules to replace its minutes.

In January 2014, pursuant to Senate Bill 174, Section 11, the Industrial Commission submitted thirty-five (35) proposed rules to the Office of Administrative Hearings (OAH) for publication. The Rules Review Commission approved all 35 rules during its March and April meetings. However, eight (8) of the rules were subjected to legislative review for the 2014 Legislative Session. The eight (8) rules subject to legislative review were as follows:

1. 04 NCAC 10A .0605 (Discovery)
2. 04 NCAC 10A .0609A (Medical Motions and Emergency Medical Motions)
3. 04 NCAC 10A .0701 (Review by the Full Commission)
4. 04 NCAC 10C .0109 (Vocational Rehabilitation Services and Return to Work)
5. 04 NCAC 10E .0203 (Fees Set by the Commission)
6. 04 NCAC 10L .0101 FORM 21 (Agreement for Compensation for Disability)
7. 04 NCAC 10L .0102 FORM 26 (Supplemental Agreement as to Payment of Compensation)
8. 04 NCAC 10L .0103 FORM 26A (Employer's Admission of Employee's Right to Permanent Partial)

#### *Senate Bill 794:*

On July 22, 2014, Senate Bill 794, Session Law 2014-77, was signed into law. Senate Bill 794 disapproved the eight rules mentioned above, as well as two additional rules made by Industrial Commission in 2012 and 2014. The session law also contained directives and authority to amend and readopt the disapproved rules. Section 7 of S.L. 2014-77 states that the Industrial Commission "shall adopt permanent rules in accordance with the provisions of this act using the procedure and time lines for temporary rules set forth in G.S. 150B-21.1(a3)." It further states, "Rules adopted pursuant to this section shall not be subject to G.S. 150B-19.1(h) or G.S. 150B-21.4." This law provides guidance on how to revise the ten (10) disapproved rules and requires that the new rules be re-adopted through the temporary rulemaking process in time for potential legislative review during the General Assembly's 2015 Regular Session.

The two (2) additional rules are as follows:

1. 04 NCAC 10A .0702 (Review of Administrative Decisions)
2. 04 NCAC 10E .0202 (Hearing Costs or Fees)

On August 8, 2014, pursuant to the requirements set out in Senate Bill 794, the Industrial Commission submitted ten (10) proposed permanent rules to the OAH for publication. The proposed rules were published on the OAH website on August 14, 2014. The (10) proposed permanent rules are:

1. 04 NCAC 10A .0605 (Discovery)
2. 04 NCAC 10A .0609A (Medical Motions and Emergency Medical Motions)
3. 04 NCAC 10A .0701 (Review by the Full Commission)
4. 04 NCAC 10A .0702 (Review of Administrative Decisions)
5. 04 NCAC 10C .0109 (Vocational Rehabilitation Services and Return to Work)
6. 04 NCAC 10E .0202 (Hearing Costs or Fees)
7. 04 NCAC 10E .0203 (Fees Set by the Commission)
8. 04 NCAC 10L .0101 FORM 21 (Agreement for Compensation for Disability)
9. 04 NCAC 10L .0102 FORM 26 (Supplemental Agreement as to Payment of Compensation)
10. 04 NCAC 10L .0103 FORM 26A (Employer's Admission of Employee's Right to Permanent Partial)

The Industrial Commission will hold a public hearing on the proposed rules on September 8, 2014, and will seek to have the proposed rules approved at the October 16, 2014 meeting of the Rules Review Commission.

***Senate Bill 781:***

Senate Bill 781 requires the Industrial Commission to deliver to the Joint Select Regulatory Reform Committee of the General Assembly no later than October 1 of every year, a list of all permanent rules adopted by the body and to identify the following information:

1. Whether the rule is mandated by a federal law or regulation.
2. If the rule is not mandated by a federal law or regulation, whether there is a federal regulation that is analogous to the rule. For purposes of this subdivision, "analogous" means the federal regulation regulates the same conduct or activity as the State regulation.
3. If there is a federal statute or regulation analogous to the rule, whether the rule is more stringent than the federal law or regulation.

The Industrial Commission reports that, after a review of our rules and the applicable statutory authority, no rules promulgated by the Industrial Commission are mandated by federal law or regulation; are analogous to a federal law or regulation; or result in a rule more stringent than federal law or regulation.<sup>3</sup>

**Recommendations**

The following recommendations are provided in accordance with N.C. Gen. Stat. §97-78(e):

- As discussed in the annual report, the Commission is responsible for administering a wide variety of claims. The records produced from these claims are subject to differing record retention requirements and laws. An internal review has revealed that the

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<sup>3</sup> The summary is provided in accordance with Section 57 of Senate Bill 781, now codified as Session Law 2011-398.

Commission has been without a records retention schedule, and may not be adequately maintaining Commission records. The Commission recommends that the Program Evaluation Division of the Legislative Service Commission of the General Assembly conduct a program evaluation to determine the extent of any problems that may exist and make recommendations on necessary corrective action. In order to have the funds necessary to implement any recommended corrective action, the Commission further recommends that the General Assembly allow the Commission to retain surplus receipts that would otherwise be reverted to the General Assembly. It is anticipated that the Commission will require, at a minimum, a Records Retention Specialist and two support staff.

- The Commission requests statutory authority to issue cease and desist orders to require any employer who is engaged in business and does not have workers' compensation insurance or has a workers' compensation policy which has lapsed, to cease operating the business until such time as a workers' compensation policy with proper limits and coverage is in full force and effect.
- Clarification as to the authority of the Industrial Commission to hold parties in civil and criminal (both direct and indirect) contempt and the relative specific authorities and responsibilities of the Industrial Commission, General Courts of Justice, magistrates and law enforcement to effect service, issue orders for arrest, take into custody, transport, set bail, set terms to purge, imprison and adjudicate contempt in each specific type of contempt.
- The Commission requests support from the legislature in addressing the issue of employee misclassification. Specifically, the Commission recommends that the General Assembly give consideration to legislation that does the following with respect to misclassification:
  - Clarify the difference between employees and independent contractors;
  - Create a presumption that a worker is an employee, and establish criteria that must be met by a party asserting that a worker is an independent contractor;
  - Require employers to sign an acknowledgement that they have read the misclassification statute and understand penalty for misclassifying employees as independent contractors;
  - Requires the employer's insurance company, agent or broker to keep copies of the aforementioned signed acknowledgement;
  - Requires employers to post at each job site and at employer's place of business, in English and Spanish, a notice that workers have the right to be properly classified as an employee rather than an independent contractor, and post a notice that misclassified employees should report violations to the Industrial Commission Fraud Section; and
  - Imposes a penalty for misclassification.



## Deputy Commissioners Section

### **Mission Statement**

The Deputy Commissioners, Special Deputy Commissioners, and Legal Assistants of the North Carolina Industrial Commission endeavor to fairly, impartially, and efficiently adjudicate contested claims by careful application of the law; by adherence to rules and procedures; by encouraging settlement wherever possible; and by providing timely and excellent customer service to all parties.

### **About the Deputy Commissioners Section**

Deputy Commissioners expeditiously resolve all controversies between injured workers, employers, carriers, providers, various citizens of the State of North Carolina and the State of North Carolina that arise under the Workers' Compensation Act, the State Tort Claims Act, and the Eugenics Compensation Program. The Deputy Commissioners provide citizens an opportunity to be heard in a professional, ethical and courteous manner and render legally sound and impartial decisions after thoroughly considering the positions of all parties and the law.

The Deputy Commissioners seek to promote the goals and maintain the integrity of the Workers' Compensation Act, the State Tort Claims Act, the Eugenics Compensation Program, and promote their administration. Deputy Commissioners conduct full evidentiary hearings throughout the State, hear administrative motions, conduct administrative appeal hearings, perform extensive review of complex form agreements, review settlement agreements and handle other matters.

Typically litigants do not have contact with the Deputy Commissioners' Section until a claim is assigned to an individual Deputy Commissioner. The Deputy Commissioners are judicial officers and the Deputy Commissioners' Section does not provide legal advice or advocate for any party.

Beginning in May of 2012, the Industrial Commission introduced the Penalty and Contempt Dockets. The Contempt Hearing procedures have been under development by the Industrial Commission since 2009. As a result of the planning process, the Industrial Commission conducted the additional following types of hearings that could be brought before a Deputy Commissioner for relief:

- Administrative Hearing on Administrative Assessment of N.C. Gen. Stat. §97-94(b) penalties
- Administrative Hearing on Enforcement of N.C. Gen. Stat. §97-94 (b) & (d) penalties
- Regularly docketed Non-insured Hearing on workers' compensation claims and penalties
- Hearing of Right pursuant to N.C. Gen. Stat. § 97-94(b) after Administrative Assessment
- Contempt Hearing for failure to abide by Orders of the Industrial Commission

## Deputy Commissioner Section Summary for FY 2013-2014

Hearing Days Conducted by Deputy Commissioners	850 <sup>4</sup>
Total Number of Claims Docketed for Hearings	5,164 <sup>5</sup>

### **Disposition of Claims Set for Hearings<sup>6</sup>**

Pre-Trial Hearings Held by Deputy Commissioners	459
Cases Heard	1,629
Cases Continued/Removed	1,634
Cases Dismissed With Prejudice	62
Cases Dismissed Without Prejudice	111
Cases Settled	1,931

### **Summary of Decisions Rendered, Cases Settled & Pre-Trial Orders Issued**

Opinion and Awards or Decision and Orders Filed	989
Compromise Settlement Agreements Approved	2,176
Pre-Trial Orders Issued	179
<b>Total Cases</b>	<b>3,344</b>

### **Medical Motions**

Expedited Medical Motions Filed	1,844
Emergency Medical Motions Filed	8
<b>Total Medical Motions</b>	<b>1,852</b>

### **Penalty Hearings**

Penalty Appeal/Enforcement	68
Contempt	77
<b>Total Penalty Hearings</b>	<b>145</b>
Form 26A Agreements Reviewed	987 <sup>7</sup>
Law Enforcement Officers Death Benefit Act Determinations	13

<sup>4</sup> The Industrial Commission has attempted to compress the number of hearing days to decrease travel expenses.

<sup>5</sup> Number does not reflect docketing and hearing statistics for Expedited and Emergency Medical Motions. There were 1,850 Expedited and Emergency Medical Motions disposed of by the Deputy Commissioner Section during Fiscal Year 2013- 2014.

<sup>6</sup> Claims disposed of are greater than claims docketed for hearings as a claim may be resolved by a Deputy Commissioner prior to being docketed on a calendar.

<sup>7</sup> Form 26A Agreements reviewed for approval by the Deputy Commissioner Section are a portion of the total Form 26A Agreements received and approved by the Claims Administration Section.

### Number of Deputy Commissioners' Hearing Hours Per Month

July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June
271.00	306.25	237.50	261.25	274.75	248.25	195.50	242.75	318.25	256.25	254.25	292.25
<b>Total Hours: 3,158.25 Hours</b>											

### **Expeditious resolution by the Deputy Commissioner Section for resolving requests for, or disputes involving, medical compensation:<sup>8</sup>**

The Deputy Commissioner Section heard and ruled upon 1,852 Emergency, Expedited, and Administrative Medical Motions for the fiscal year of 2013-2014. During this period, 1,851 medical motions were disposed of within the statutory timeframes. One Expedited Medical Motion exceeded the statutory filing date by 3 days. This Expedited Medical Motion was received on February 19, 2014 and the final order was issued on April 8, 2014.

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<sup>8</sup> Pursuant to Session Law 2013-294, effective August 1, 2013, all medical motions were heard by the Deputy Commissioner section. Session Law 2013-294

## Executive Secretary's Office

### **Mission Statement**

The Executive Secretary's Office is committed to assisting all parties to workers' compensation claims in a professional manner through informed administrative rulings, consistent processes, and prompt and courteous communication.

### **About the Executive Secretary's Office**

The Executive Secretary's Office handles administrative review of issues for the Industrial Commission. This office is responsible for the review and approval or disapproval of the vast majority of Compromise Settlement Agreements filed with the Industrial Commission. This section is responsible for reviewing and deciding Form 24 Applications to Terminate or Suspend Payment of Compensation and Form 23 Applications to Reinstate Payment of Disability Compensation. Telephone hearings are often held in regard to these applications. In addition, Orders are issued after review of Administrative Motions, Third Party Settlements and a variety of other issues such as Requests for Attorney Withdrawal. From July 1 to July 31, 2013, Orders were issued after review of Medical Motions. Pursuant to a change in the law, Medical Motions were decided by the Deputy Commissioner Section beginning August 1, 2013.

The Executive Secretary's office also includes the Information Specialists Program (formerly the Ombudsman Program), which is operated in accordance with N.C. Gen. Stat. §97-79 (f) to assist claimants who are not represented by an attorney, employers, or other parties in protecting their rights. In addition, the Workers' Compensation Information Specialists can provide information Tort Claims against State Departments and Agencies and other statutes under the jurisdiction of the Industrial Commission and related rules. The Information Specialists strive to provide callers and visitors with accurate and knowledgeable information in a prompt and courteous manner.

### **Executive Secretary's Office Summary for FY 2013-2014**

<b>Orders, etc.</b>	
Orders on Compromised Settlement Agreements	9,788
Orders on Third Party Distributions	531
Orders/Dispositions on Form 24 Applications	1,485
Orders/Dispositions on Form 23 Applications	238
Orders on Medical Motions (July 2013 only)	176
Orders/Dispositions on Administrative Motions	3,802
Attorney Withdrawal Orders	1,484
Certified copies of files	32

**Information Specialists – Public Contacts**

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Telephone Calls Answered	40,454
Number of Walk-Ins Assisted	38
Correspondence (letters & e-mails) Answered	2,027
Mail Outs (Envelopes containing Form Packets/Bulletin)	910

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## Mediation Section

### **Mission Statement**

The Mediation Section is responsible for effectively, fairly and efficiently administering the Commission's mediation program, with the goal of empowering the parties in pending cases to take an active role in the resolution of their disputes, to minimize the need for hearings and appeals, to expedite the dispute resolution process, and to enable the Commission to devote its adjudicatory resources to those cases not conducive to settlement.

### **About the Mediation Section**

When a claim is contested the parties are generally referred to mediation as a way of resolving the claim without a formal hearing. When an injured worker is not represented by an attorney, the case usually bypasses mediation. The Mediation Section oversees this process by educating the stakeholders concerning mediation theories and procedures, ruling on any motions related to mediation, and by insuring that the parties and mediators adhere to certain timelines, move the case forward, and submit the required forms and reports. While the mediators who serve in these cases are generally not state employees, the mediators on the Industrial Commission's appointed list must complete a formal mediation training program and be certified by the Dispute Resolution Commission.

### **Mediation Section Summary for FY 2013-2014**

Hearing Requests Filed <sup>9</sup>	8,225
Cases Referred to Mediation <sup>10</sup>	8,721
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Settlement Rate at Mediation Conferences	70.1%
Overall Settlement Rate	75.0%

<sup>9</sup> Due to the expedited medical motion process, an additional 1,851 Form 33 Requests for Hearings were filed during the fiscal year that previously would have been docketed for hearing.

<sup>10</sup> More than 8,500 cases were referred to mediation for the 13<sup>th</sup> straight fiscal year.

## Claims Administration Section

### **Mission Statement**

The Claims Administration Section seeks to provide reliable, accurate and efficient claims servicing to employees, employers, insurance companies and the citizens of North Carolina.

### **About the Claims Administration Section**

The Claims Administration Section processes documents and forms submitted by the parties to record claim events such as opening claims, reporting injuries, accepting or denying claims and providing notification of changes in compensation payments, return to work status, and the amount of money paid on a claim. Claims Administration also processes form agreements for payment of death benefits and permanent partial disability. In addition, Claims Administration facilitates certain aspects of occupational disease cases, monitors forms compliance and generates reports regarding different aspects of a claim. It handles interim attorney fee requests and third party requests for documents. Finally, Claims Administration is responsible for the assignment of Industrial Commission file numbers, verifying Workers' Compensation insurance on new or pending claims and answering citizen questions about claim activity.

The following report contains statistics regarding certain claims forms, including:

#### ***Form 18 – Notice of Accident to Employer and Claim of Employee***

- This form must be filed by the employee within two years of an injury to notify the employer of an injury and notify the Industrial Commission of a claim. The filing of a Form 18 triggers the employer's responsibility to either accept the claim as compensable and begin paying benefits, deny the compensability of the claim or pay benefits for a short time while investigating the claim (without waiving the right to deny compensability of the claim).

#### ***Form 19 – Employer's Report of Employee's Injury or Occupational Disease***

- The employer must file this form with the Industrial Commission, and must provide a copy of the Form 19 along with a blank Form 18 to the injured employee.

#### ***Form 60 – Employer's Admission of Employee's Right to Compensation***

#### ***Form 61 – Denial of Workers' Compensation Claim***

#### ***Form 63 – Notice to Employee of Payment of Compensation without Prejudice***

- To avoid sanctions, within 30 days following notice from the Commission of the filing of a claim, the employer must file a Form 60 (accepting compensability), a Form 61 (denying compensability) or a Form 63 (to pay benefits for a statutorily defined period of time without waiving the right to deny compensability of the claim).

#### ***Form 26A – Employer's Admission of Employee's Right to Permanent Partial Disability***

- If the parties agree on the amount of compensation owed for an employee's disability rating, this form is filed with the Commission. If the Commission approves the Form 26A agreement, the employer may distribute compensation to the injured worker consistent with the agreement.

## Claims Administration Section Summary for FY 2013-2014

Claims Opened via Form 18 Filing	10,073
Claims Opened via Form 19 Filing	60,847
Claims Opened via simultaneous Form 18 & Form 19 Filing	1,219
<b>Total Claims Opened</b>	<b>72,139</b>
Forms 60, 61, 63 Filed	69,108
Death Claims Filed	93
Form Agreements (Form 26A) Received	6,542
Form Agreements (Form 26A) Approved	6,387
Telephone Calls Answered	13,952

## Forms Compliance Summary

<b>Total of Form 18s Processed FY 2013-2014</b>	<b>20,352</b>
Form 60, 61 or 63 Processed Before Form 18 Filed	4,726
Form 60, 61 or 63 Processed After Form 18 Filed	13,925
<i>Form 60, 61 or 63 Filed within 30 days of Form 18</i>	<i>10,193</i>
<i>Form 60, 61 or 63 Filed between 31 and 60 days of Form 18</i>	<i>2,050</i>
<i>Form 60, 61 or 63 Filed between 61 and 90 days of Form 18</i>	<i>626</i>
<b>Total of Forms 60, 61 or 63 Processed in FY 2013-2014</b>	<b>18,651</b>
<b>Form 18 with no Form 60, 61 or 63 Processed by end of FY 2013-2014</b>	<b>1,701</b>



## **Dockets Section**

### **Mission Statement**

The mission of the Docket Section is to ensure that cases to be heard by the Industrial Commission are placed on the docket timely and move through the system as efficiently and expeditiously as possible. The mission will be accomplished by adhering to Industrial Commission Rules, policies and procedures; by being accessible; and by providing all parties and Industrial Commission staff with respectful, responsive and reliable service.

### **About the Dockets Section**

The Docket Section's primary responsibility is to place cases to be heard by the Industrial Commission on the appropriate hearing docket. This responsibility includes processing requests for hearings, appeals and related documents filed in all types of cases administered by the Industrial Commission, including Workers' Compensation and State Tort Claims.

For cases appealed to the Full Commission, the Docket Section organizes the evidence, orders an official hearing transcript, and provides a copy to each party. The section assembles specific documents into working files for each member of the Full Commission panel assigned to review the case on appeal and prepares and distributes the Full Commission hearing calendars.

The section serves as custodian of recordings of Industrial Commission hearings and coordinates assignments of court reporters for hearings before the Deputy Commissioners and Full Commission. The section maintains the Industrial Commission's attorney database by adding new attorneys and updating contact information in the mainframe. The section assigns Industrial Commission file numbers for State Tort Claims, for claims filed under the Law Enforcement Death Benefits Act, and for Erroneous Conviction cases. The Docket Section also processes requests for copies of files and oversees File Room activities.

## Dockets Section Summary for FY 2013-2014

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Requests that Claim be Assigned for Hearing	8,225
Requests for Hearing in Non-Insured Cases	205
Expedited Medical Motions (July 1 through August 2, 2014)	101
Administrative Appeals to Deputy Commissioners	414
Responses to Hearing Requests (Forms 33R)	6,104
Attorney Representation Letters and Other Correspondence	7,507
Tort Claims	592
Requests for Recordings of Hearings (Tapes, CDs and Links)	904
Appeals to Full Commission	547
Cases Sent for Transcription	451
Transcripts Distributed to Parties	454
Cases Prepared for Full Commission Review	456
Full Commission Calendars Generated	28
Medical Motion Appeals	82
Appeals (Requests for Hearing) in Penalty Assessment Cases	85

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## **Compliance and Fraud Investigation Section**

### **Mission Statement**

To work with businesses operating in North Carolina to ensure compliance with the Workers' Compensation Act's requirement to maintain adequate insurance and enforce the rules and regulations of the North Carolina Industrial Commission.

### **About the Compliance and Fraud Investigation Section**

The Compliance and Fraud Investigation Section is divided into two units: 1) the Compliance Unit; and 2) the Criminal investigation Unit.

The Compliance Unit handles civil cases involving employers who are operating as non-insured employers in violation of N.C. Gen. Stat. § 97-93 and N.C. Gen. Stat. § 97-94. Once an investigation is complete and evidence is gathered, it is presented by the Office of the Attorney General during Industrial Commission's non-insured penalty hearings. Civil penalties can be assessed covering the entire time-frame that the employer is not insured. The Compliance Unit also assists the Office of the Attorney General with the enforcement and collection of penalty actions.

In Fiscal year 2013-14 the N. C. Industrial Commission request for expansion was approved which allowed the Compliance and Fraud Division to expand. With the request we were able to triple the size of our compliance staff. The staff proactively reviews employer information to ensure compliance with the Workers' Compensation Act. On April 14, 2014 the Compliance Unit began using a new database known as the Noncompliant Employer Tracking System (NETS). It is a software tool that analyzes data sources from various state agencies and identifies potentially noncompliant employers who may be in violation of the N. C. Workers' Compensation Act. As a result of the NETS system and the expanded staff, we were able to investigate and close 436 cases in less than 3 months, which is almost as many as we had been able to do in each of the prior two years. We also increased the number of businesses entering into a penalty assessment consent orders from 44 employers to 105 employers.

## Non-insured Case Summary for FY 2013-2014:

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Non-Insured Hearings Docketed before the Industrial Commission	465
Non-Insured Cases Investigated Pursuant to a Form 33 (Request for a Claim be Assigned for Hearing)	177
Non-Insured Cases Investigated Pursuant to a Form 18 (Notice of Accident and Claim of Employee, Representative, or Dependent)	375
Non-Insured Cases with No Injury Reported category represents cases Received and investigated by the Compliance Officer	672
Non-Insured Cases with No Injury Reported category represents cases Received and investigated by the Criminal Investigations Unit	447

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The Criminal Investigation Unit operates as a law enforcement agency and is responsible for conducting criminal investigations into cases of suspected workers' compensation fraud and violations related to workers' compensation claims involving employees, employers, insurers, health care providers, attorneys, and vocational rehabilitation providers. Fraud Investigators investigate all criminal complaints filed with the Industrial Commission regarding failure of employers to maintain workers' compensation insurance (N.C. Gen. Stat. §97-94(d)); fraud on the part of employees with regard to the collection or obtaining of workers' compensation benefits (N.C. Gen. Stat. §97-88.2); fraud on the part of employers with regard to payment or collection of workers' compensation premiums from employees' salaries (N.C. Gen. Stat. §97-21); medical payment fraud, and any other claims arising out of violations of Chapter 97 by employees or employers. The Criminal Investigation Unit works with Judicial Officials and other law enforcement agencies throughout the state to resolve the above investigations in criminal court.

The approved expansion also allowed us to increase the size of our Law Enforcement staff from three to six staff members. As a result we were able to issue misdemeanor charges against 14 business owners for Failure to Maintain Workers' Compensation Insurance in violation of N.C.G.S. §97-94(d), and five charges of Obtaining Property by False Pretense and Obtaining Benefits after Making a Material Misrepresentation in violation of N.C.G.S. § 97-88.2 against two employees.

## Total Number of Fraud Cases for FY 2013-2014

### Fraud Cases Reported

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Employees	146
Employers	1671
Insurers	4
Health Care Providers	1
Attorneys	3
Rehabilitation Providers	0

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<b>Total Cases Reported</b>	<b>1,825</b>
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### Fraud Cases Pending

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Employees	51
Employers	39
Insurers	0
Health Care Providers	0
Attorneys	0
Rehabilitation Providers	0

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<b>Total Cases Pending</b>	<b>90</b>
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### Fraud Cases Closed

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Employees	95
Employers	408
Insurers	4
Health Care Providers	1
Attorneys	3
Rehabilitation Providers	0

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<b>Total Cases Closed</b>	<b>511</b>
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## **Information Technology Section**

### **Mission Statement**

The mission of the Information Technology Section is to support the use of technology as an enabling agent for the work of the Commission.

### **About the Information Technology Section**

The Information Technology section provides support for the agency's hardware, software, and network connections; develops and implements procedures for technical and operational processes; develops, implements, and upgrades software to support the Commission's workflows; administers the Commission's information databases; and provides scanning, indexing, validation, storage, and retrieval of the agency's documents.

### **Accomplishment Summary for 2013-2014**

- Designed and implemented enhancements to the claims processing system and the electronic document upload and retrieval systems.
- Completed the first phase implementation of an Electronic Data Interchange system to permit external stakeholders to submit claims information and medical billing information to the Commission electronically.
- Began the process of identifying a next-generation solution for comprehensive case management to replace the existing claims processing and mainframe case management systems.
- Upgraded image processing hardware and software systems and implemented significant process improvements in image processing to facilitate efficient electronic capture of incoming paper documents.

## **Safety Education Section**

### **Mission Statement**

The Safety Education Section's mission is to reduce injuries to employees through practical safety and accident prevention education and training.

### **About the Safety Education Section**

The Safety Education Section of the North Carolina Industrial Commission was created as part of the original North Carolina Workers' Compensation Act of 1929 as an educational, training, and public relations unit to promote safety and accident prevention in the industrial workplaces of the state of North Carolina. The employees of this section trained thousands of employees and charged over \$200,000 in fees connected with safety training classes.

## Medical Fees Section

### **Mission Statement**

The Medical Fees Section is committed to providing prompt and efficient service to all Workers' Compensation clients, ensuring timely and accurate bill processing. We serve all customers by answering inquiries regarding the Industrial Commission's Medical Fee Schedule and resolving medical fee disputes.

### **About the Medical Fees Section**

The Medical Fees Section is responsible for reviewing bills for medical services provided as a result of a workers' compensation claim. Medical bills are reviewed and where necessary adjusted in accordance with the Industrial Commission's Medical Fee Schedule and then returned to the insurance carrier, third-party administrators, or self-insurer handling the claim. The Medical Fees Section also responds to medical bill inquiries, resolves medical fee disputes, and assists in updating the Medical Fee Schedule. In accordance with N.C. Gen. Stat. § 97-26(i), the Industrial Commission has adopted a Medical Provider Fee Dispute Resolution Procedure. A copy of the procedure may be obtained at <http://www.ic.nc.gov/ncic/pages/MedProvDRP.pdf>.

Below is a summary of the work performed by the Medical Fees Section for the fiscal year of 2013-2014:

<b>Medical Bills Processed</b>	
<i>Total Bills Keyed</i>	<i>15,720</i>
Inpatient Hospital	4,323
Physician	11,191
Miscellaneous, Dental, & Chiropractic	206
Bills Sent to Advisory Committee	0
Bills Awaiting a Response	0
Overview of Bills Keyed	
Monthly Average	1,310
Weekly Average	302
Daily Average	64
<b>Summary of Medical Provider Fee Dispute Cases Processed</b>	
<i>Total Cases Received</i>	<i>87</i>
Paid	34
Substantially Resolved	8
Referred	3
Unfounded	7
Closed	11
Pending	24
Amount Paid to Providers (will include payments from cases received in prior fiscal years)	\$57,517.89



## Medical Rehabilitation Nurses Section

### Mission Statement

The employees of the Industrial Commission's Medical Rehabilitation Nurses Section are committed to providing excellent consultative rehabilitation services to all stakeholders through collaborative facilitation and coordination of high quality, effective coordination of medical care and vocational rehabilitation for the injured worker.

### About the Medical Rehabilitation Nurses Section

Ongoing rehabilitation case management of injured workers covered by the North Carolina Workers' Compensation Act is usually provided by Medical and Vocational Rehabilitation Professionals employed in private industry. The Medical Rehabilitation Nurses are available to assist with difficult cases temporarily, promoting ongoing case management within the private industry. They also perform specific rehabilitation activities as ordered by the Commission. The Medical Rehabilitation Nurses Section services are available to anyone who wishes to express concern regarding an injured worker's care or rehabilitation.

### Summary of Cases Handled

	Open Cases as of (7/1/13)	Additional Referrals	Cases Closed Out	Remaining Cases as of (6/30/14)	% of Total Cases
Back Injuries	73	40	26	87	25%
Burn Injuries	1	0	0	1	<1%
Extremity Injuries					
A. One Upper Extremity	101	30	21	110	31%
B. One Lower Extremity	58	24	18	64	18%
C. Two or More Extremities	2	2	2	2	<1%
<b>TOTAL EXTREMITIES</b>	<b>161</b>	<b>56</b>	<b>41</b>	<b>176</b>	<b>50%</b>
Head Injuries	16	3	8	11	3%
Other Injuries/Occupational Diseases	5	3	3	5	<2%
Paraplegia	1	1	0	2	1%
Quadriplegia	5	1	0	6	<2%
Multi Defects	57	45	37	65	18%
<b>Totals</b>	<b>319</b>	<b>149</b>	<b>115</b>	<b>353</b>	<b>100%</b>
<b>Total Cases Handled During Year</b>					<b>468</b>

During the 2013-2014 fiscal year, new referrals increased (8%) as well as the total number of cases worked over the year (5%). With the retirement of two nurses, the number of available Rehabilitation Nurse Consultants has decreased from five to three, and all nurses have increased territory coverage and caseloads.

Form 25N filings increased by 6% and ongoing education continues to facilitate appropriate filing.

Effective July 1, 2011, every Rehabilitation Professional providing rehabilitation services has been required by the Industrial Commission to complete a comprehensive educational course, in order to be “Qualified” per the Industrial Commission’s rules for Rehabilitation Professionals. Pursuant to the March 17, 2011 Full Commission Minutes, five educational presentations on the NCIC Rehabilitation Rules were conducted via recorded webinar, and one live class was conducted in Raleigh, for a total of 210 attendees. There were five additional educational programs presented by the Director of the Section to multiple attendees this year across the state at various professional conferences.