McCONNAUGHHAY · COONROD WEAVER · STERN P.A.

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INSURER REGULATORY COMPLIANCE

Regulatory Compliance

Pursuant to s. 440.525, Florida Statutes, the Division of Workers' Compensation (DWC) is responsible for ensuring all carriers, self-insured employers, and self-insurance funds providing Workers' Compensation coverage in Florida are complying with the statutory and regulatory claims-handling performance standards. The DWC performs this duty by annually conducting 50-60 claim audits of insurer entities and monitoring the electronic filing of medical bills, indemnity payments, and First Reports of Injuries through its Centralized Performance System (CPS). The claim audits are generally performed in a week and are now primarily performed virtually. However, some audits still may be performed at the physical location of the claims-handling entity.

The following penalties can be assessed against insurer entities who fail to meet the claims-handling performance standards.

Penalties Assessed on Audit

Category	Penalty Amount

Untimely Indemnity Payments	$50 for each payment t below the minimum 95 performance standard to or greater than a 90% performance and $100 payment below the 90% performance standard.
Untimely filing of First Reports of Injury (FROI) – DFS-F2-DWC-1	For each FROI: 1-7 calendar days late = 8-14 calendar days late 15-21 calendar days lat 22-28 calendar days lat Over 28 calendar days
Untimely filing Notices of Action/Change – DFS-F2-DWC-4	For falling below the 90 compliance standard: $ penalty for a non-willfu and practice violation, n exceed an aggregate of for all pattern and pract violations arising from t action.

Untimely filing Notices of Denial – DFS-F2-DWC-12	For falling below the 90 compliance standard: $ penalty for a non-willfu and practice violation, n exceed an aggregate of for all pattern and pract violations arising from t action.
Untimely fling of Claim Cost Reports – DFS-F2-DWC-13	For falling below the 90 compliance standard: $ penalty for a non-willfu and practice violation, n exceed an aggregate of for all pattern and pract violations arising from t action.
Untimely letter sent to employee about services of the Employee Assistance and Ombudsman Office	For falling below the 90 compliance standard: $ penalty for a non-willfu and practice violation, n exceed an aggregate of for all pattern and pract violations arising from t action.

Untimely informational brochure sent to the employee	For falling below the 90 compliance standard: $ penalty for a non-willfu and practice violation, n exceed an aggregate of for all pattern and pract violations arising from t action.

In addition to the penalties associated with untimely indemnity payments, penalties and interests are payable to the injured employee for untimely indemnity payments, pursuant to s. 440.20(6)(8).

Pursuant to s. 440.525 and Rule 69L-24.007, the DWC may asses a penalty for a willful violation for a pattern or practice if the regulated entity that committed the pattern or practice:

(a) Did so intentionally and with knowledge of the act's unlawfulness or with disregard to the unlawfulness of the act; or

(b) Failed to comply with an order of the Department and the insurer has exhausted all appellate rights.

The penalties assessed shall be $20,000 for a single willful violation and not exceed an aggregate of $100,000 for all pattern or practice violations arising out of the same action.

Penalties Assessed Through CPS

Category	Penalty Amount
Untimely Initial Indemnity Payment	$50 for each payment tha below the minimum 95% performance standard ar to or greater than a 90% performance and $100 fo payment below the 90% performance standard.
Untimely filing of First Reports of Injury (FROI) – DFS-F2-DWC-1	For each FROI: 1-7 calendar days late = $ 8-14 calendar days late = 15-21 calendar days late 22-28 calendar days late Over 28 calendar days la
Untimely payment, disallowance, or denial of medical bills (physician, hospital, Ambulatory Surgical Center, pharmacy, dental)	$25 for each bill below th percent timely performan standard, but meeting a 9 percent timely performan standard. $50 for each b a 90 percent timely perfo standard.

Untimely filing of medical bills (physician, hospital, Ambulatory Surgical Center, pharmacy, dental)	For each untimely filed m bill which falls below the standard: 1-30 calendar days late = 31-60 calendar days late 61-90 calendar days late 91 or greater calendar da $50
Rejected medical bills not resubmitted	If the medical bill remains and the insurer does not resubmit the bill within 9 calendar days of the origi rejected date, an adminis fine shall be assessed aga insurer in the amount of each such medical bill.