

## Investigations & Sanctions Unit

### Purpose

To sanction insurers or self-insured employers who unreasonably delay or refuse to pay compensation to workers, or who unreasonably delay acceptance or denial of a claim. To ensure workers' cooperation with insurer investigations, medical examinations, or medical requirements essential to their recovery. To gain compliance with medical reporting, claims processing, and coverage reporting requirements. To ensure compliance with workers' compensation laws through investigation of possible system abuse.

### Responsibilities

**Timely payment to injured workers:** Assess penalties when an insurer or self-insured employer unreasonably delays or refuses to pay compensation, or unreasonably delays acceptance or denial of a claim.

**Worker cooperation:** Suspend workers' compensation benefits when workers fail to cooperate or comply with requirements necessary to process their claims. Assess penalties against workers who fail to attend Independent Medical Examinations (IMEs).

**Medical reporting:** Educate medical providers regarding medical reporting requirements. Apply sanctions against those providers who unreasonably fail to comply.

**Claim processing requirements:** Assess civil penalties against insurers and self-insured employers for failure to comply with rules and orders addressing claims processing requirements.

**Attorney interaction:** Impose sanctions against attorneys who unreasonably obstruct an insurer's investigation of a claim.

**Investigations:** Investigate complaints of rule and statute violations and allegations of possible system abuse. Take regulatory actions and impose appropriate sanctions.

### Functions

Staff review complaints received from injured workers, medical and vocational providers, insurers, and others regarding alleged noncompliance with rules covering benefit payments and claims processing. Complaints of nonpayment or late payment of benefits or late acceptance or denial of a claim by an insurer or self-insured employer are handled in writing through an administrative review process. If the insurer's or self-insured employer's delays are found to be unreasonable, staff have authority to assess penalties. These penalty monies are paid to the injured worker, and the worker's attorney is awarded fees. Staff are also authorized to assess civil penalties against insurers or self-insured employers for unreasonable noncompliance with administrative rules or director's orders addressing various requirements including responding to division inquiries, medical services requirements, vocational assistance requirements, discovery of claim documents, claim classification and closure requirements, providing simultaneous notice to workers' attorneys, payment requirements of director's orders, and other claims processing requirements. Staff also have authority to assess civil penalties against attorneys who unreasonably delay insurer claims investigations.

Staff also review appeals from workers regarding the location of IMEs, and make determinations whether the location is reasonable.

This unit also reviews complaints from insurers regarding lack of cooperation by injured workers. Staff investigate and authorize suspension of compensation if workers have unreasonably failed to cooperate with the insurer's claim investigation, failed to comply with medical treatment requirements, or failed to attend IMEs.

Additionally, this unit reviews complaints from insurers regarding medical providers' failure to comply with reporting requirements, or failure to provide records for IMEs. Staff investigate complaints and facilitate providers' compliance. Staff have authority to assess appropriate sanctions against providers who fail to comply.

This unit also coordinates and conducts investigations of complaints of possible fraud or system abuse by parties in the workers' compensation system. (Complaints that do not involve violations of workers' compensation requirements, such as violations of professional codes, are referred to the appropriate jurisdiction; complaints of worker fraud are referred to the appropriate insurer.) Unit investigators review complaints against employers, insurers, managed care organizations, health care providers, vocational counselors, and others. Staff conduct investigations, educate parties of requirements, take regulatory actions to ensure compliance, and impose appropriate sanctions.

### Primary governing rules

All WCD rules are involved in the work of the unit.

### For more information contact:

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