



## North Carolina Industrial Commission

October 1, 2012

### ANNUAL REPORT ON FORMS COMPLIANCE TRACKING AND ENFORCEMENT PURSUANT TO N.C. GENERAL STATUTE § 97-78(f) & (g)

In 2008, pursuant to the newly enacted N.C. Gen. Stat. § 97-78(f)(1), the North Carolina Industrial Commission promulgated a strategic plan for tracking and enforcing compliance with the provisions of N.C. Gen. Stat. § 97-18(b), (c), and (d), which require the filing of certain forms prescribed by the Commission. The changes reflected in this plan became effective on August 1, 2008.

The forms compliance process monitored by the Claims Administration Section has three components:

- The employer or carrier has thirty (30) days from notification of a claim by the Commission to file one of the following forms:
  - In accordance with N.C. Gen. Stat. § 97-18(b), file a Form 60 *Employer's Admission of Employee's Right to Compensation*, accepting the claim;
  - In accordance with N.C. Gen. Stat. § 97-18(c), file a Form 61 *Denial of Workers Compensation Claim*, denying the claim; or
  - In accordance with N.C. Gen. Stat. § 97-18(d), file a Form 63 *Notice to Employee of Payment of Compensation Without Prejudice or Payment of Medical Benefits Only Without Prejudice*, notification of payment of compensation and/or medical compensation without prejudice.
- Compliance with the filing requirement as set forth in N.C. Gen. Stat. § 97-18 is tracked by the Industrial Commission.
- In accordance with N.C. Gen. Stat. § 97-18(j), if an appropriate form is not received within 30 days, the employer or carrier is assessed a \$200.00 sanction.
  - If the employer or carrier fails to pay the \$200.00 sanction, the employer or carrier will be referred to the Industrial Commission's collections docket.

The Industrial Commission has partnered with the State ITS to replace the Industrial Commission's current legacy system with a system that will permit case-specific data gathering, warehousing, and analysis. Significant progress has been made in this effort, resulting in the development of a state-of-the-art database system to track all required data elements for the forms compliance process. The third-generation release of this system went into production in

September 2012. Ongoing efforts to enhance this system, replace our current system, and further develop reporting and analysis capabilities based on the new system will continue.

### **Form Compliance Statistics for Claims Filed in FY 2011-2012**

<b>Forms Compliance Summary<sup>1</sup></b>	
<b>Injuries reported in FY 2011-2012</b>	<b>66,193</b>
<b>Claims filed in FY 2011-2012 (via Form 18 <i>Notice of Accident to Employer and Claim of Employee, Representative, or Dependent</i>)</b>	<b>19,772</b>
<b>Claims with timely forms compliance</b>	<b>7,135</b>
<b>Claims with untimely forms compliance</b>	<b>12,637</b>
<b>Claims with compliance 31+ days after claim notice</b>	<b>4,092</b>
<b>Claims with compliance 60+ days after claim notice</b>	<b>1,689</b>
<b>Claims with compliance 90+ days after claim notice</b>	<b>1,589</b>
<b>Claims not in compliance after 90 days**</b>	<b>5,267</b>
<b>Claims with untimely compliance in which sanctions have been ordered</b>	<b>1,457<sup>2</sup></b>

\*\*Claims may not be in compliance after ninety days because of the following reasons:

- Duplicate files - Two or more files were created for the same injury. These files will be combined without deleting the file number from our database. Usually, one of the duplicate files has timely compliance.
- Combined files - The parties requested two or more files be combined because of similar issues. Although combined, both file numbers would remain in our database and the requisite form would appear in the primary file number.
- Settled claims - The claim settled prior to the expiration of the 30-day time period.
- Voluntary dismissal - The claimant filed a motion for voluntary dismissal without prejudice. These claims include claims filed in the wrong jurisdiction.
- Incorrect notification - The incorrect employer or insurance carrier received notification of the claim.
- Returned mail – The carrier address on file is incorrect.
- Asbestosis claims – Sanctions were not assessed in claims for asbestosis due to database system limitations. However, the September 2012 upgrade to the computer system will improve the ability to monitor and report compliance pursuant to the filing of a Form 18B *Claim by Employee, Representative, or Dependent for Benefits for Lung Disease*.

<sup>1</sup> The summary provided is in accordance with N.C. Gen. Stat. § 97-78(g)(1).

<sup>2</sup> If the employer or carrier fails to pay the \$200.00 sanction, the employer or carrier will be referred to the Industrial Commission's collections docket.