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Newsletter

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Workers' Compensation Update

In the past, many employers had a practice of paying for minor medial treatment following a workplace injury vs. reporting this to their workers' compensation insurance carrier (or reporting for "notice only"). This was done in an attempt to keep experience modifiers lower, but for the past few years this practice has been discouraged. It is now **AGAINST THE LAW TO PAY ANY MEDICAL BILL DUE TO A WORKPLACE INJURY** that has not first been processed as prescribed by the workers' compensation carrier. While it may still be the policy of some employers to only report claims that result in lost time from work or significant medical expenses, the Tennessee Department of Labor & Workforce Development ("TDOLWD") requires all claims to be reported through their EDI tracking system. This tracking system is utilized by the TDOLWD to build statistical data for all work-related accidents in Tennessee, regardless of the seriousness of said incident. This can be located under the Rules and Regulations 0800-2-1-06.

In addition to the above, according to the TDOLWD Rules & Regulations, **it is prohibited for an insurance carrier or employer to pay any medical expenses directly to the provider, without said bills being subject to the strict guidelines of the Tennessee Medical Fee Schedule.** This (EDI tracking system referenced above) is the only method a Tennessee workers' compensation claim may be entered into the state database, whereby once the claim is entered into the EDI tracking system, the adjuster can pay relevant medical bills via the Medical Fee Schedule. Thus, it is imperative for all employers to timely report work-related accidents to their workers' compensation carrier so the proper information can be entered into the EDI tracking system and any related medical expenses for the claim can be paid properly via the guideline set forth in the Medical Fee Schedule. This is pursuant Rules and Regulations 0800-2-17-01(1), 0800-2-17-13, 0800-2-18-02 (2)(b)4 & 5 and 0800-2-18-15.

Failure to comply with prompt and proper reporting can cost all participants unnecessary expense through delayed medical treatment in addition to overpayment for medical services. Failure to adhere to the Medical Fee Schedule can lead to fines and/or penalties that can be assessed to the individual employer.

For additional information, please visit the Tennessee Department of Labor Workforce and Development, Division of Workers' Compensations' website at <http://www.tn.gov/labor-wfd/wcomp.html>. An outline of the Medical Fee Schedule, Electronic Data Interchange (EDI) and a Penalty Chart are available for your review on this site.