

# Increasing Workers' Compensation Reimbursement Rates

## Points of Interest:

Insurance carriers may be required to pay a late payment penalty of ten percent (10%).

Insurance carriers may be required to pay interest on outstanding medical expenses.

Insurance carriers may be required to pay reasonable attorney's fees and costs for failure to pay medical bills promptly.

The following article is written by  
George Francisco, PC  
Attorney at Law

Board Certified in Worker's Compensation Law  
by the North Carolina State Bar

**A common concern currently facing health care professionals is decreasing reimbursements. This article identifies North Carolina laws that can be used to increase the rate of workers' compensation reimbursements.**

On October 3, 2001, the Chairman of the North Carolina Industrial Commission issued a memorandum to all insurance carriers putting them on notice that failure to make prompt payment of authorized medical treatment will not be tolerated. The memorandum stated: "It has come to the attention of the Industrial Commission that certain insurance carriers, self-insurers, and third-party administrators are failing to pay for authorized medical treatment on a timely basis."

"This type of business conduct, through inadvertence or otherwise, WILL NOT BE TOLERATED BY THE COMMISSION."

**Insurance carriers may be required to pay a late payment penalty of ten percent (10%).**

The memorandum stated: "Please be reminded that, pursuant to N.C.G.S. §97-18(i), a 10% penalty will be added if any bill remains unpaid in excess of sixty (60) days following its approval by the Commission or submission to the payor for calculation and direct payment.

The Commission imposed this 10% penalty, in Purdy-Bilcheck, Employee, Plaintiff v. IBM, Employer, Liberty Mutual Insurance Company, Carrier, Defendants., Filed 19 March 2003.

**Insurance carriers may also be required to pay interest on outstanding medical expenses.**

The North Carolina Court of Appeals stated "the Industrial Commission may require a defendant to pay interest on plaintiff's outstanding medical expenses. Childress v. Trion, Inc., 125 N.C. App. 588, 481

S.E.2d 697, 698-99, disc. review denied, 346 N.C. 276, 487 S.E.2d 541 (1997).

**Insurance carriers may be required to pay reasonable attorney's fees and costs for failure to comply with the law.**

In Purdy v. IBM, the employer and the insurance carrier were also ordered to pay attorney fees and costs because of their failure to provide prompt payment of authorized medical bills

Further, repeat offenders are subject to having their privilege to directly calculate their own medical bills pursuant to N.C.G.S. §97-26(g) revoked by the Commission should such delays in paying the medical bills come to the Commission's attention.



George Francisco, PC

Attorney at Law

Board Certified in  
Worker's Compensation Law  
by the North Carolina State  
Bar

Two Piedmont Plaza  
2000 West First Street  
Suite 501  
Winston Salem, NC 27104

Telephone: 336-722-5088

Facsimile: 336-722-5118

[www.GeorgeFranciscoLaw.com](http://www.GeorgeFranciscoLaw.com)

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The Industrial Commission's memo of 2001 also stated: "If delinquent accounts are not PAID IMMEDIATELY, Commissioner of Insurance Jim Long will be asked to intervene in these matters to determine whether insurance carriers, self-insurers, or third-party administrators involved in these delays should have their licenses to do business in the State of North Carolina revoked.

In summary, North Carolina law provides several ways to encourage timely payment of medical bills including a late payment penalty, interest and additional sanctions.

Answers to  
"Frequently Asked  
Questions for  
Medical Providers"  
including:

How long does a medical provider have to submit a bill? and

What does a medical provider do if they feel the amount of a medical reimbursement is incorrect?

can be found at  
<http://www.comp.state.nc.us/ncic/pages/medfaq.htm> or by contacting George Francisco, PC.

North Carolina law provides several ways to encourage timely payment of medical bills

