

Annual Report

Fiscal Year 2018
(JULY 1, 2017 - JUNE 30, 2018)



Industrial Commission

LETTER FROM THE CHAIRMAN



On behalf of my fellow Commissioners, Deputy Commissioners, and the employees of the North Carolina Industrial Commission, it gives me great pleasure to issue this Annual Report for FY 2017-18.

The Industrial Commission was established in 1929 to adjudicate and administer the North Carolina Workers' Compensation Act. In 1949, the Industrial Commission was also given authority by the General Assembly to adjudicate and administer the North Carolina State Tort Claims Act.

The Public Safety Employees' Death Benefits Act, the Childhood Vaccine-Related Injury Compensation Program, and Compensation to Persons Erroneously Convicted of Felonies are additional matters within the jurisdiction of the North Carolina Industrial Commission. Previously, the Industrial Commission administered and adjudicated claims under the purview of the Eugenics Asexualization and Sterilization Compensation Program.

Serving the citizens of this state while maintaining the highest levels of fairness and impartiality throughout the adjudicatory process is paramount to ensure the Commission fulfills its statutory duties and acts as a good steward of the resources entrusted to it.

The Industrial Commission realized a tremendous amount of productivity during FY 2017-18 while continuing to refine best practices and implement modernizations. Providing outstanding customer service, while seeking areas of innovation and efficiencies in a rapidly changing environment, remains an important area of focus for the Commission. I am confident the workers' compensation system of our state, as well as the other matters within our jurisdiction, will continue to realize significant benefits as we build upon these efforts in FY 2018-19 and beyond.

Charlton L. Allen
Chairman
North Carolina Industrial Commission

NORTH CAROLINA INDUSTRIAL COMMISSION

Charlton L. Allen, Chairman
Yolanda K. Stith, Vice-Chairman

Philip A. Baddour, III, Commissioner
Myra Griffin, Commissioner

Christopher C. Loutit, Commissioner
A. Robinson Hassell, Commissioner

Charles Duckett, Chief Operating Officer
Meredith R. Henderson, Executive Secretary
Sumit Gupta, Interim Chief Deputy Commissioner
Emily Baucom, Clerk of the Industrial Commission
Bryan A. Strickland, Director of Compliance and Fraud Investigation
Bradley Hicks, Director of Employee Classification
Asia J. Prince, Director of Claims Administration
John C. Schafer, Dispute Resolution Coordinator
Dennis A. Moody, Chief Information Officer

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North Carolina Industrial Commission – At a Glance
 Report for FY 2017-18
 (JULY 1, 2017 – JUNE 30, 2018)

Workers' Compensation Claims Filed	63,399
Orders Issued on Medical Motions	2,411
Deputy Commissioner Workers' Compensation and Tort Hearings Held	2,177
Penalty and Contempt Matters Resolved at the Deputy Commissioner Level	2,078
Cases Appealed to the Full Commission	599
Cases Referred to Mediation	9,677
Orders on Compromise Settlement Agreements	12,248
Mediation Settlement Rate	72.9%
<i>Form 26A Employer's Admission of Employee's Right to Permanent Partial Disability</i> Agreements received	6,430
Orders filed on Forms 24 <i>Application to Terminate or Suspend Payment of Compensation</i>	1,545
Orders filed on Forms 23 <i>Application to Reinstate Payment of Disability Compensation</i>	224
Cases Handled by the Medical Rehabilitation Nurses Section	107
Medical Bills Reviewed	625
Fraud Cases Reported	5,525
Penalties Collected	\$8,621,125.97

THE NORTH CAROLINA INDUSTRIAL COMMISSION

Mission Statement

The employees of the North Carolina Industrial Commission are committed to providing excellent customer service through the efficient administration of claims, facilitation of dispute resolution, fair and impartial adjudication of contested cases, careful application of the law, and prompt and courteous responsiveness to all stakeholders.

About the Commission

The North Carolina Industrial Commission is an agency of the State of North Carolina, created by the General Assembly in 1929 to administer the North Carolina Workers' Compensation Act. In 1949, the Industrial Commission was also given authority by the General Assembly to administer the Tort Claims Act. Additionally, the Industrial Commission is charged with efficiently administering the Public Safety Employees' Death Benefits Act; the Childhood Vaccine-Related Injury Compensation Program; claims under N.C. Gen. Stat. § 148-82 *et seq.* for Compensation to Persons Erroneously Convicted of Felonies; and the Eugenics Asexualization and Sterilization Compensation Program.

The Full Commission consists of six Commissioners who are required by statute to devote their entire time to the duties of the Industrial Commission. The Commissioners are appointed by the Governor for staggered six-year terms and confirmed by the General Assembly. Three of the Commissioners represent employers and three represent employees. The Commissioners sit in panels of three to review appeals from decisions made by Deputy Commissioners located throughout the state to hear workers' compensation and tort claims cases. The Full Commission is the ultimate fact-finding body of the Commission and, therefore, only the findings of the Commissioners and not those of the Deputy Commissioners are deemed conclusive on appeal to the higher courts, if supported by the evidence.

Full Commission Section Summary for FY 2017-18

Appeals in Workers' Compensation and Tort Claims	401
Interlocutory Appeals	177
Medical Motion Appeals	21
Total Appeals to Full Commission	599

Management and Operations

The Chairman of the Full Commission is, by statute, the Chief Executive Officer and Chief Judicial Officer of the Industrial Commission. The Chairman has the authority to direct and oversee the Industrial Commission and may delegate duties as needed for proper management of the Industrial Commission.

Major Activities and Initiatives

Tackling North Carolina's Opioid Epidemic

In a landmark endeavor, the North Carolina Industrial Commission adopted *Rules for the Utilization of Opioids, Related Prescriptions, and Pain Management in Workers' Compensation Claims*. Most of these Rules became effective May 1, 2018. Rules requiring health care providers to check the Controlled Substances Reporting System ("CSRS") have a delayed effective date.¹

In February 2017, Chairman Allen created the Workers' Compensation Opioid Task Force to consider and recommend solutions addressing the intersection of the growing opioid epidemic and related issues in the workers' compensation system. Abuse and misuse of opioids and related drugs have a direct human and financial cost on injured workers and employers in North Carolina. The Opioid Task Force, composed of various stakeholders as well as liaisons from other State agencies, recommended a set of utilization rules for the use of opioids and pain management. After requesting informal public feedback and considering the task force's recommendations, the Commission engaged in formal rulemaking in late 2017.

The North Carolina Industrial Commission *Rules for the Utilization of Opioids, Related Prescriptions, and Pain Management in Workers' Compensation Claims*, 11 NCAC 23M .0101-.0501, became effective May 1, 2018. To assist stakeholders in the North Carolina workers' compensation system in understanding and implementing these Rules, the Commission also adopted a Companion Guide, effective May 1, 2018, including educational materials and suggested forms for facilitation of non-pharmacological pain management and treatment for substance use disorder. The Commission will monitor the effectiveness of the new Opioid Utilization Rules and amend as needed to target opioid-related issues in workers' compensation claims. These groundbreaking efforts are a critical step in addressing the opioid epidemic in our State.

Pursuing Innovation to Improve Our Processes

The Workers' Compensation Act was designed by the General Assembly to promote the efficient administration and adjudication of claims, with procedures and processes intended to be as summary and simple as may be reasonable.²

The Commission has engaged in comprehensive efforts to improve the Workers' Compensation system and other matters in our jurisdiction. Some of these include:

Internal Rules Review

On its own initiative, the Industrial Commission conducted an internal review of its rules and sought stakeholder feedback. In October 2017, Chairman Allen established two committees comprised of Commissioners, Deputy Commissioners, and Commission staff to review the rules governing workers' compensation claims and claims under the State Tort Claims Act, respectively. The committees proposed changes necessary to improve and clarify the rules, provide for increased efficiency, or update the rules to reflect current practices. In consultation with stakeholders, the Commissioners reviewed and edited the proposed adoptions, amendments, and repeals to the existing rules.

The proposed adoptions, amendments, and repeals to the workers' compensation rules were

¹ The effective date of the Rules mandating health care provider utilization of the CSRS is November 1, 2018, or shall coincide with the date of application in S.L. 2017-74, s. 15.(e), and any amendments thereto, whichever is earlier.

² See N.C. Gen. Stat. § 97-80(a).

published in the August 15, 2018 and September 17, 2018 issues of the North Carolina Register. Proposed adoptions, amendments, and repeals to the state tort claims rules were published in the September 17, 2018 issue of the North Carolina Register, and additional changes will be published in FY 2018-19.

Improvements to Service of Process

Consistent with Section 15.17 of Session Law 2017-57, the Commission adopted procedures which moved away from the costly mailing of Commission decisions by certified mail with return receipt requested, and towards other procedures, including electronic mail, which save money, but also assure timely receipt.

Case Management System

Consistent with Section 15.19 of Session Law 2017-57, the Commission has been engaged in a comprehensive process to move forward with modernizing its case management system.

The current Industrial Commission case management functions are spread across multiple outdated platforms and systems, leading to inefficient use of staff resources and providing no access for external users to review documents or actions pertaining to their cases. By implementing a consolidated case management system, the Commission hopes to bring multiple internal functions together for improved efficiency and to allow external users to access their case data and documents. This initiative will greatly enhance the Commission's ability to carry out its mission to provide excellent customer service in the 21st century.

Protecting Cost Savings: Medical Fee Schedule Fees for Services at Ambulatory Surgery Centers

On November 21, 2017, the Court of Appeals issued a unanimous Opinion upholding the ambulatory surgery center provisions of the workers' compensation medical fee schedule that became effective April 1, 2015. The Court decided that the provisions were promulgated in accordance with the Administrative Procedure Act and were valid retroactively and prospectively. In September 2018, the protracted litigation came to an end when the Wake County Superior Court issued an Order on remand affirming the Commission's fee schedule.

Based on the results of the litigation, the provisions of Rule 11 NCAC 23J .0103, as adopted April 1, 2015, apply to fees for ambulatory surgery centers for dates of service from April 1, 2015, to May 31, 2018. While the litigation was pending, the Commission proactively engaged in rulemaking to put a new rule in place regarding ambulatory surgery center fees to limit the effect on the workers' compensation system if the litigation was unsuccessful. Effective June 1, 2018, the Commission amended the provisions of Rule 11 NCAC 23J .0103 impacting ambulatory surgery center fees. This amended rule applies to dates of service on or after June 1, 2018.

As a result of the changes to the Commission's medical fee schedule beginning in 2015, medical costs in the workers' compensation system have been controlled and better balanced. The North Carolina Chamber of Commerce estimates the reforms will save employers \$125 million.³ Since the valid Medicare-based medical fee schedule took effect on April 1, 2015, average workers' compensation insurance rates have decreased each year, dropping by 8.3 percent in 2016 and 12.5 percent in 2017. Recently, on August 29, 2018, the North Carolina Rate Bureau proposed a 17.2 percent decrease to the average workers' compensation insurance rate. These dramatic decreases in workers' compensation rates are a testament to the needed reforms of the workers' compensation system, and the efforts of the

³ <https://ncchamber.com/2018/04/19/latest-workers-comp-win-will-save-employers-125-million/>

Commission to preserve these savings and generate further efficiencies.

Combating Fraud and Noncompliance

The North Carolina Industrial Commission's Compliance and Fraud Investigative Division continued to proactively identify businesses failing to comply with the Workers' Compensation Act, collecting over \$8 million in penalties. The Commission attributes a significant portion of the increase in penalty collections to the earlier assignment of cases to investigators, and the substantial number of investigations commenced and completed. The bulk of the penalty proceeds go to the State's Civil Penalty and Forfeiture Fund to benefit North Carolina's public schools.

Notable Legislation

House Joint Resolution 1100

On June 29, 2018, the General Assembly confirmed the appointment of Myra L. Griffin to serve the remainder of an unexpired term as a Commissioner on the Industrial Commission.

Commissioner Griffin was appointed to fill the term of Commissioner Linda Cheatham. Her term expires on April 30, 2022.

Senate Bill 99, Session Law 2018-5

Section 22.1 Workers' Compensation/Allow Alternative Employer Penalty

The General Assembly amended N.C. Gen. Stat. § 97-94 to change the penalty amount for not obtaining proper workers' compensation insurance pursuant to N.C. Gen. Stat. § 97-93. Any employer who refuses or neglects to secure adequate workers' compensation insurance shall now be punished \$1.00 per day for each employee, with a minimum penalty of \$20.00 per day and a maximum penalty of \$100.00 per day.

In the alternative, an employer who has not previously been penalized may submit evidence they have obtained workers' compensation insurance along with copies of payroll records. Under the alternative formula, the penalty is the cost of the current policy per employee multiplied by the average number of employees during the period of noncompliance, plus an additional penalty of 10%.

Section 35.29 Increase and Expand Public Safety Death Benefit

Effective April 1, 2017, the Law Enforcement Officers', Firemen's, Rescue Squad Workers' and Civil Air Patrol Members' Death Benefits Act was renamed the Public Safety Employees Death Benefits Act.

The Industrial Commission determines whether benefits should be awarded pursuant to the Public Safety Employees Death Benefits Act. Section 35.29 increases the death benefit for any covered person killed in the line of duty to \$100,000.

The legislation expands the Death Benefits Act to cover dependents of noncustodial employees of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety and makes the provision retroactive to April 1, 2017.

House Bill 374, Session Law 2018-114

Section 23 Amend Process for Vacancy Appointments to the Utilities Commission and the Industrial Commission

Section 23 limits appointments made on an urgent basis when the General Assembly is not in session. The legislation prohibits the Governor from appointing anyone who was subject to confirmation by the General Assembly within the preceding four years but was not confirmed.

The appointment limitation includes unfavorable action on a joint resolution for confirmation and failure to ratify a joint resolution for confirmation prior to adjournment of the then current session.

Rulemaking Update

Recodification of Rules

Effective June 1, 2018, the Industrial Commission's rules were re-codified from Title 04 to Chapter 10 of the North Carolina Administrative Code. The recodification was part of the Industrial Commission's transfer from the Department of Commerce to the Department of Insurance.

Fees for Institutional Services

The Commission engaged in permanent rulemaking to amend 11 NCAC 23J .0103 in light of the August 9, 2016 decision in *Surgical Care Affiliates, LLC v. North Carolina Industrial Commission*, No. 16-CVS-0060 (Wake County Superior Court). The rule received ten or more letters of objection and was therefore subject to legislative review with a delayed effective date of the earliest of the 31st day of legislative day of the General Assembly's session or the date of adjournment. The legislature reached its 31st day of this regular session on June 1, 2018, making the amendment effective on that date.

Rules for the Utilization of Opioids, Related Prescriptions, and Pain Management Treatment in Workers' Compensation Claims

In February 2017, Chairman Allen established the North Carolina Workers' Compensation Opioid Task Force to study and recommend solutions for the problems arising from the intersection of the opioid epidemic and related issues in workers' compensation claims. The Opioid Task Force developed and recommended draft rules for the utilization of opioids, related prescriptions, and pain management treatment in workers' compensation claims. The Commission sought informal public comment on the draft rules before engaging in the permanent rulemaking process.

The Commission engaged in permanent rulemaking to propose nine rules governing the utilization of opioids, related prescriptions, and pain management treatment in workers' compensation claims. The Rules Review Commission approved the rules in their April 19, 2018 meeting, and the rules went into effect May 1, 2018.

To assist employees, employers, carriers, health care providers, pharmacists, attorneys, and other stakeholders in the North Carolina workers' compensation system in understanding and implementing these rules, the Commission adopted a Companion Guide, effective May 1, 2018. The Companion Guide provides guidance on rule provisions or topics as deemed necessary by the Commission.

Computation of Time and Notice by the Commission

In Session Law 2017-57, Section 15.17, the General Assembly amended N.C. Gen. Stat. § 97-86 to require notice of Commission awards be sent by electronic mail or any class of U.S. mail that is fully prepaid. The Commission engaged in permanent rulemaking to establish a time certain for the sending of notices pursuant to N.C. Gen. Stat. § 97-86. The Rules Review Commission approved the rule amendment on April 19, 2018, and the amendment went into effect May 1, 2018.

Recommendations

The following legislative recommendations are provided in accordance with N.C. Gen. Stat. § 97-78(e):

- Based on the difficult experiences of the Industrial Commission's fraud investigators, who are sworn law enforcement officers, the Industrial Commission recommends that the General Assembly adopt legislation clarifying the territorial and statutory authority of the Commission's Fraud Investigators. The fraud investigators need statewide jurisdiction and full law enforcement authority in order to safely and effectively carry out their investigations and other duties, consistent with the scope of authority of similar sworn officers.
- The Industrial Commission requests that the General Assembly modify the Deputy Commissioner salary structure set by N.C. Gen. Stat. § 97-78(b3) to conform to the terms of office. The current statutory formula for Deputy Commissioner salaries was instituted prior to the legislative change converting these offices to terms of six years, with a limit on the number of terms that may be served. Further, the Commission requests a modest statutory pay increase for a Deputy Commissioner serving as the Chairman's designated liaison for a regional office to reflect the increased job duties and responsibilities.
- The Industrial Commission requests the repeal of N.C. Gen. Stat. § 97-72(a) and related legislation. The committee referenced by this statutory provision of the Workers' Compensation Act has not been utilized or convened for over a decade. It is an unnecessary and outdated provision, and the Industrial Commission is seeking to eliminate redundant statutes.
- The Industrial Commission recommends clarifying the statutes that govern the counting of officers in Limited Liability Companies and in Corporations as employees for purposes of workers' compensation insurance. Parity in these two corporate structures would alleviate confusion and provide consistency and fairness for small businesses.

CLAIMS ADMINISTRATION SECTION

Mission Statement

The Claims Administration Section seeks to provide reliable, accurate, and efficient claims service to employees, employers, insurance companies, third party administrators, and the citizens of North Carolina.

About the Claims Administration Section

The Claims Administration Section processes documents filed at the inception of a workers' compensation claim and during its pendency. At the outset of a new claim, Claims Administration is responsible for researching insurance coverage, assigning Industrial Commission file numbers, identifying any discrepancies in information provided by employers, insurers, and/or injured workers, and notifying injured workers of their rights under the Workers' Compensation Act. As the claim progresses, Claims Administration processes forms sent in by insurers and employers relative to the acceptance or denial of claims, initiation and termination of benefits, and return to work status. Claims Administration handles occupational disease claims, including the initiation of those claims and research on multiple employer/insurer situations.

Additionally, Claims Administration processes form agreements for payment of death, disfigurement, and permanent partial disability benefits. Claims Administration also handles attorney representation letters, interim attorney fee requests, motions to extend the time to accept or deny a claim, and assesses penalties against employers/insurers who fail to timely file forms required by statute.

Finally, Claims Administration answers inquiries from injured workers, employers, attorneys and insurers concerning copy of file requests, appropriate form filing, insurance coverage information, the status of pending agreements, and any other questions a stakeholder may have.

Most Frequently Processed Claims Administration-Related Forms

Employers/insurers are required to file a First Report of Injury (FROI) when an injured worker has missed one or more days of work, OR where more than \$2,000 in medical benefits have been incurred. The FROI is commonly referred to as the Form 19. All FROI's for injuries occurring after April 1, 1997 must be filed electronically via the Electronic Data Interchange (EDI).

A Form 18 is the Notice of Accident to Employer and Claims of Employee, Representative, or Dependent. This is to be filed by an injured worker or his/her representative within two years of the date of injury or occupational disease, or the claim may be barred.

A Form 18B is a Claim by Employee, Representative, or Dependent for Lung Disease, Including Asbestosis, Silicosis, and Byssinosis. It is not to be used for other occupational disease claims, or for injuries by accident.

A Form 26A is the Employer's Admission of the Employee's Right to Permanent Partial Disability pursuant to N.C. Gen. Stat. § 97-31. This form is used when the parties agree the employer will pay the injured worker the permanent partial disability rating assigned once the injured worker reaches maximum medical improvement.

A Form 60, 61, or 63 is filed by an employer/insurer in response to a claim for benefits made by an injured worker or his/her representative. One of these three forms must be used to admit, deny, or pay the claim without prejudice for an investigatory period pursuant to N.C. Gen. Stat. §

97-18 (see below).

Compliance with N.C. Gen. Stat. § 97-18

When an injured worker files a claim for compensation with the Commission, the Commission may order reasonable sanctions against an employer or insurer which does not file a Form 60, 61, or 63 within 30 days following notice from the Commission of the filing of a claim or within such reasonable time as the Commission may allow.

Claims Administration tracks all Form 18's filed and Form 60, 61, and 63's filed. If an employer or insurer has failed to comply with N.C. Gen. Stat. § 97-18, Claims Administration is tasked with assessing a reasonable sanction⁴ against the employer or insurer. If an employer and/or insurer believes the sanction has been assessed in error, Claims Administration investigates the claim and corresponds with the inquiring party to determine whether the sanction is indeed warranted.

There are certain circumstances in which a claim may be incorrectly reported as being out of compliance with N.C. Gen. Stat. § 97-18, in which case, the sanction may be waived. These circumstances include:

- **Duplicate files:** Two or more files were created for the same injury due to variations in keyed information provided by the parties at the outset of the claim. Once discovered, these files are combined, with one number deleted from the NCIC database.
- **Combined files:** The parties requested the combination of two or more files because of similar issues. Although combined, both file numbers remain in our database.
- **Settled claims:** The claim settled prior to the expiration of the 30-day time period.

Claims Administration Accomplishments in FY 2017-18

Stricter enforcement of N.C. Gen. Stat. § 97-18 reduced the number of sanctions waived. With regards to the timeliness of the filing of a Form 60, 61, or 63 after a Form 18 had been filed, Claims Administration saw a 2% decrease in the number of claims not in compliance with N.C. Gen. Stat. § 97-18. Further, the Commission increased the sanction amount issued against the employer or insurer for failing to comply with N.C. Gen. Stat. § 97-18 from \$200.00 to \$400.00, beginning on December 1, 2017.

⁴ The Commission issues a \$400.00 sanction against an employer and insurer for failing to comply with N.C. Gen. Stat. § 97-18.

Claims Administration Section Summary FY 2017-18

Claims Opened via Form 18 Filing	8,562
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Claims Opened via Form 19 Filing	54,837
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Total Claims Opened	63,399
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Forms 60, 61 or 63 Filed	50,261
Death Claims Filed	175
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Form Agreements (Form 26A) Received	6,430
Form Agreements (Form 26A) Approved ⁵	5,845
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Telephone Calls	45,279
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Forms Compliance Summary FY 2017-18

Total of Form 18's Processed FY 2017-18	17,519
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Forms 60, 61 or 63 Processed Before Form 18 Filed	4,444
Forms 60, 61 or 63 Filed within 30 days of Form 18	9,067
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Total Number of Compliant Forms	13,511
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Forms 60, 61 or 63 Filed between 31 and 60 days of Form 18	1,161
Forms 60, 61 or 63 Filed between 61 and 90 days of Form 18	392
Forms 60, 61 or 63 Filed 91 or more days after Form 18	508
Form 18 with no Forms 60, 61 or 63 Processed by end of FY 2017-18 ⁶	1,947
Total Number of Claims not in Compliance⁷	4,008⁸

⁵ The number of Form Agreements approved is lower than the number of Form Agreements received, primarily because the agreements are being held for additional information, and because of staffing changes.

⁶ This number includes 723 Form 18s that were filed less than 30 days before the End of FY 2016-17.

⁷ Major reasons for noncompliance may be found on preceding page. Specific information for each claim not compliant with N.C. Gen. Stat. § 97-18(j) is available upon request.

⁸ The Commission is continuing to consider various options that will result in a substantial reduction in the number of claims not in compliance with N.C. Gen. Stat. § 97-18(j). The Commission is in the process of developing a "Form 18 Reporting Tool" that will provide defendants with an additional way to receive notice that a Form 18 has been filed with the Commission.

**Forms Compliance Summary Pursuant to N.C. Gen. Stat.
 § 97-78(g)⁹
 For Calendar Year 2017**

Total of Form 18's Processed Calendar Year 2017	17,000
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Forms 60, 61 or 63 Processed Before Form 18 Filed	4,275
Forms 60, 61 or 63 Filed within 30 days of Form 18	8,873
Total Number of Compliant Forms	13,148
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Forms 60, 61 or 63 Filed between 31 and 60 days of Form 18	1,189
Forms 60, 61 or 63 Filed between 61 and 90 days of Form 18	396
Forms 60, 61 or 63 Filed 91 or more days after Form 18	422
Form 18 with no Forms 60, 61 or 63 Processed by end of Calendar Year 2017	1,845
Total Number of Claims not in Compliance	3,852

⁹Specific information for each claim not complaint with N.C. Gen. Stat. § 97-18(j) is available upon request.

CLERK'S OFFICE

Mission Statement

The mission of the Clerk's Office is to ensure all filings intended for the Executive Secretary's Office, the Deputy Commissioner Section and the Full Commission are promptly and appropriately catalogued in the Commission's electronic document repository and routed to the appropriate Commission staff. All cases to be heard by the Commission are to be timely placed on a docket and moved through the system efficiently and expeditiously. These functions are done consistent with providing excellent customer service to our outside stakeholders and the sections we serve within the Commission.

About the Clerk's Office

The Clerk's Office was established to be the clearinghouse for documents filed pursuant to the Commission's filing rule, Rule 108, which requires most documents filed with the Commission be transmitted electronically. The Clerk's Office ensures filings are properly identified and delivered electronically to the appropriate Commission staff. Beginning in January 2018 the Clerk's Office became responsible for filing and serving all Full Commission's decisions. In addition, the Clerk's Office provides customer support to stakeholders who have questions about filing procedures or who may initially misfile documents. Ultimately, the Clerk's Office is responsible for the integrity of the Commission's files. In addition to overseeing the Clerk's Office and administering Rule 108, the Clerk of the Commission rules on various administrative motions including attorney withdrawals, motions to withdraw requests for hearing, and motions to consolidate cases for hearing. Documents filed via the Commission's Electronic Document Filing Portal (EDFP) now average approximately 30,000 per month. With the increased use of EDFP, the number of documents scanned by the Clerk's Office's scanning division has dropped from last year's 127,065 to 29,944 this fiscal year, which now allows scanning staff more time to undertake additional job duties and provide support in other projects.

Docketing responsibilities of the Clerk's Office include processing requests for hearings and appeals, as well as processing related documents filed in all types of cases administered by the Commission, including Workers' Compensation and State Tort Claims. For cases appealed to the Full Commission, the Clerk's Office organizes the record evidentiary exhibits, orders official hearing transcripts, and provides copies of the transcripts to the parties. The section assembles exhibits and filings into electronic working files for each member of the Full Commission panel assigned to review each case on appeal and prepares and electronically distributes the Full Commission hearing calendars. The section also serves as the custodian for recordings of Commission hearings and coordinates assignments of court reporters for hearings before the Deputy Commissioners and the Full Commission. Beginning in April 2018, the Clerk's Office assumed trial court administration duties for the Deputy Commissioners' section.

The Clerk's Office maintains the Commission's attorney database by adding new attorneys and updating attorney contact information upon receipt. The section assigns Commission file numbers for State Tort Claims, for claims filed under the Law Enforcement Death Benefits Act, and for Erroneous Conviction cases. The Clerk's Office also processes requests for copies of files and certified copies of files.

Clerk's Office Summary for FY 2017-18

Requests That Claim be Assigned for Hearing	7,160
Requests for Hearing in Non-Insured Cases	161
Amended Requests that Claim be Assigned for Hearing	237
Administrative Appeals to Deputy Commissioners	419
Appeals (Requests for Hearing) in Penalty Assessment Cases	421
Responses to Hearing Requests	5,459
Attorney Representation Letters and Other Correspondence	12,761
Requests for Copies of Files	7,496
Tort Claims Filed	678
Appeals to Full Commission	599
Medical Motion Appeals	21
Cases Sent for Transcription	376
Full Commission Calendars Generated	53
Attorney Withdrawal Orders	1393
Orders/Dispositions on Administrative Motions	631
Certified Copies of Files	23
Scanned documents uploaded to Electronic Case Files	29,944

COMPLIANCE AND FRAUD INVESTIGATION SECTION

Mission Statement

The Compliance and Fraud Investigation Section works with businesses operating in North Carolina to ensure compliance with the Workers' Compensation Act's requirement to maintain adequate insurance and to enforce the rules and regulations of the North Carolina Industrial Commission.

About the Compliance and Fraud Investigation Section

The Compliance and Fraud Investigation Section is divided into two units: 1) the Compliance Unit and 2) the Criminal Investigation Unit. The Compliance Unit handles civil cases involving employers who are operating as non-insured employers in violation of N.C. Gen. Stat. § 97-93 and N.C. Gen. Stat. § 97-94. Once an investigation is complete and evidence is gathered, it is presented by the Office of the Attorney General during Commission's non-insured penalty hearings. Civil penalties can be assessed covering the entire time-frame that the employer is not insured. The Compliance Unit also assists the Office of the Attorney General with the enforcement and collection of penalty actions.

The Compliance Unit uses a database known as the Noncompliant Employer Tracking System (NETS). NETS is a software tool that analyzes data sources from various State agencies and identifies potentially noncompliant employers who may be in violation of the N. C. Workers' Compensation Act. As a result of the leads generated by the NETS system, the collection of our penalties and fines collections grew from \$1,723,296 in FY 2016-17 to \$8,025,893 in FY 2017-18, an increase of over 465% year over year. Additionally, 974 noncompliant employers were brought into compliance by obtaining workers' compensation coverage.

Non-Insured Cases for FY 2017-18

Non-Insured Hearings Docketed before the Industrial Commission.	183
Non-Insured Cases Investigated Pursuant to a Form 33 (<i>Request for Claim Be Assigned for Hearing</i>)	163
Non-Insured Cases Investigated Pursuant to a Form 18 (<i>Notice of Accident and Claim of Employee, Representative, or Dependent</i>)	374
Non-Insured Cases with No Injury Reported category represents cases received and investigated by the Compliance Officer.	5,588 ¹⁰
Non-Insured Cases with No Injury Reported category represents cases received and investigated by the Criminal Investigations Unit.	5,314 ¹¹

The Criminal Investigation Unit operates as a law enforcement agency and is responsible for conducting criminal investigations into cases of suspected workers' compensation fraud and violations related to workers' compensation claims involving employees, employers, insurers, health care providers, attorneys, and vocational rehabilitation providers. Fraud Investigators investigate all criminal complaints filed with the Commission regarding failure of employers to

¹⁰ The 5,588 cases include 7 cases which were investigated and closed outside of the Noncompliant Employer Tracking System (NETS) database tool as the result of calls received on our investigation hotline.

¹¹ The 5314 cases addressed allegations of fraud such as an employer not carrying Workers' Compensation insurance if required, unlawful deductions made by employers, and similar fraudulent activities.

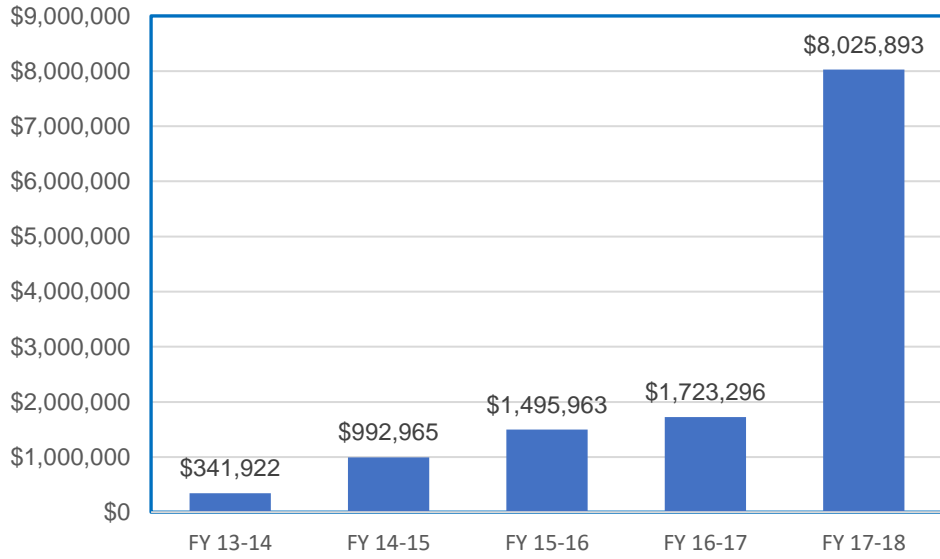
maintain workers' compensation insurance (N.C. Gen. Stat. § 97-94(d)); fraud on the part of employees with regard to the collection or obtaining of workers' compensation benefits (N.C. Gen. Stat. § 97-88.2); fraud on the part of employers with regard to payment or collection of workers' compensation premiums from employees' salaries (N.C. Gen. Stat. § 97- 21); medical payment fraud, and any other claims arising out of violations of Chapter 97 by employees or employers. The Criminal Investigation Unit works with Judicial Officials and other law enforcement agencies throughout the state to resolve cases related to the above matters in criminal court.

The staff consists of six sworn law enforcement officers and one administrative staff personnel. Being fully staffed has had an enormous impact on our ability to pursue non-compliant employers and engage in proactive activities to identify and bring into compliance those employers who are not in compliance. During FY 2017-18, we issued 688 misdemeanor charges and one felony charge for Failure to Maintain Workers' Compensation Insurance in violation of N.C. Gen. Stat. § 97-94(d). We charged one misdemeanor count of aiding and abetting an employer with operating without workers' compensation and representing himself as an insurance agent, as well as 14 felony counts of workers' compensation fraud and/or obtaining property by false pretense against 7 employees.

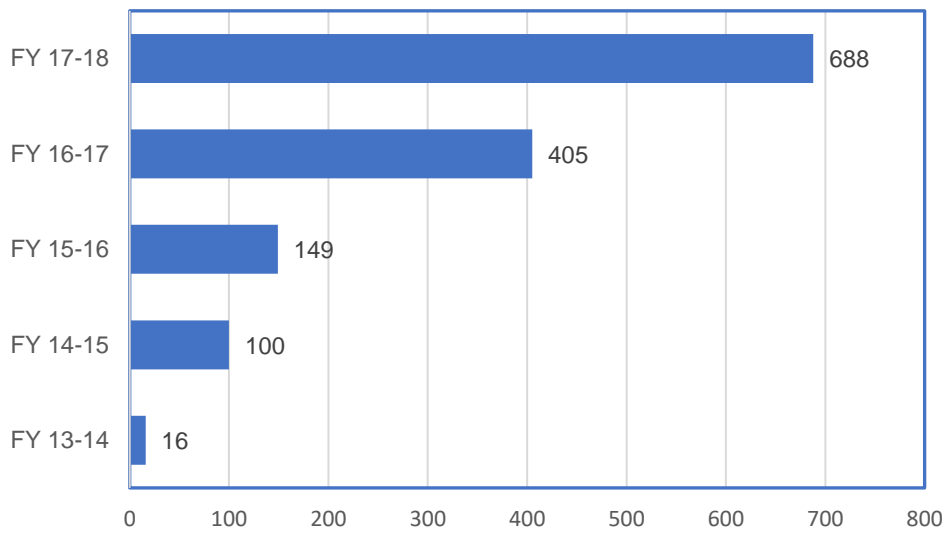
Persons Investigated for Fraud under the Workers' Compensation Act for FY 2017-18¹²							
	Employees	Employers	Insurers	Health Care Providers	Attorneys	Rehabilitation Providers	Totals
Number of Fraud Cases Reported	164	5348	7	1	5	0	5,525
Number of Fraud Cases Pending	30	180	1	0	0	0	211
Number of Fraud Cases Closed	134	5168	6	1	5	0	5,314

¹² The summary is provided in accordance with N.C. General Statute § 97-88.2(e)

NC Industrial Commission Compliance Penalties Collected



Criminal Charges Filed Against Noncompliant Employers



DEPUTY COMMISSIONER SECTION

Mission Statement

The Deputy Commissioners, Special Deputy Commissioners, Paralegals, and Legal Assistants of the North Carolina Industrial Commission endeavor to fairly, impartially, and efficiently adjudicate contested claims by careful application of the law; by adherence to rules and procedures; by encouraging settlement wherever reasonable; and by providing timely and exemplary customer service to all parties.

About the Deputy Commissioner Section

Deputy Commissioners expeditiously resolve all controversies between injured workers, employers, carriers, providers, various citizens of the State of North Carolina and the State of North Carolina that arise under the Workers' Compensation Act and the State Tort Claims Act. The Deputy Commissioners provide citizens an opportunity to be heard in a professional, ethical, and courteous manner, and render legally sound and impartial decisions after thoroughly considering the positions of all parties and the law.

Deputy Commissioners conduct full evidentiary hearings throughout the State, hear administrative motions, conduct administrative appeal hearings, review complex form agreements, review settlement agreements, and handle other matters. In addition to the cases described in the tables below, the Deputy Commissioner Section made fifteen Law Enforcement Officer Death Benefit Act Determinations.

Claims Set for Hearings

Number of Claims Docketed for Hearings	6,063 ¹³
Cases Heard	2,177 ¹⁴

Summary of Final Determinations Entered and Cases Settled

Compromise Settlement Agreements Approved	2,157
Final Determinations Entered (Opinion & Awards and Decision & Orders)	724
Cases Dismissed With Prejudice	348
Cases Dismissed Without Prejudice	229
Cases Continued and/or Removed from the Hearing Docket	2,021

¹³ Excludes Penalty & Contempt Hearings

¹⁴ Excludes Penalty & Contempt Hearings

Employer Noncompliance

To address noncompliance by employers who are obligated by insurance coverage requirements of the Workers' Compensation Act, the Commission substantially increased the number of Penalty Enforcement and N.C. Gen. Stat. § 97-94(b) Hearing Dockets during this fiscal year. Effective September 1, 2016, the Deputy Commissioner Section began to hear Penalty Enforcement and N.C. Gen. Stat. § 97-94(b) matters monthly. In FY 2017-18, the Deputy Commissioner Section resolved a total of 1,726 penalty matters. In addition, the Deputy Commissioner Section resolved 352 matters in contempt proceedings; the majority of which were related to Penalty Enforcement.

Penalty & Contempt Proceedings

Penalty Matters Docketed for Hearings	1,726
Contempt Matters Docketed for Hearing	352

Expeditious Resolution of Emergency and Expedited Medical Motions

The Deputy Commissioner Section disposed of 317 Emergency and Expedited Medical Motions in FY 2017-18. N.C. Gen. Stat. § 97-25 requires that Expedited Medical Motions be fully resolved within 75 days of filing, including calendaring, conducting a full evidentiary hearing, completing all discovery, and the filing of an Opinion and Award. Importantly, the statute further requires that the discovery phase, including depositions of physicians and experts, be completed within 60 days of filing. This brief time frame for discovery regularly presents scheduling challenges for medical providers and other experts who must be deposed prior to a sixty-day mandated deadline. Deputy Commissioners disposed of 314 Emergency and Expedited Medical Motions within the statutory-mandated time frames, and three outside the statutory-mandated time frames.¹⁵

Full Evidentiary Medical Motions/Emergency Medical Motions

Expedited Medical Motions	264
Emergency Medical Motions	53
Total Medical Motions	317

¹⁵ Case	Date Filed	Date of Final Disposition	Days Exceeding 75 Days
1	08/10/2017	11/1/2017	8
2	08/25/2017	11/15/2017	5
3	02/05/2018	03/27/2018	7

EMPLOYEE CLASSIFICATION SECTION

Mission Statement

The Employee Classification Section is charged with identifying businesses which classify workers as independent contractors to avoid the payment of unemployment insurance and workers' compensation insurance and/or shift the burden of paying taxes to workers. This section collaborates with multiple state agencies who conduct independent investigations to determine if there have been violations of the agency's operational statutes.

About the Employee Classification Section

The Employee Classification Section had many of its preexisting initiatives codified in the enactment of Senate Bill 407 entitled the Employee Fair Classification Act. The Section had been operating under Executive Order #83, signed by Governor Pat McCrory in December 2016.

The new legislation enhanced the work of the Employee Classification Section by: 1) requiring all occupational licensing boards and commissions in the state have a public notice statement included within all applications and renewal applications stating they have not been investigated for worker misclassification as defined by; and 2) requiring the NC Department of Labor to place NC Employee Classification Section be placed in all businesses throughout the state that are subject to the provisions of Senate Bill 407.

The Employee Misclassification Application developed in collaboration with SAS, the Government Data Analytics Center (GDAC), and other state agencies resulting in a software system to proactively generate misclassification alerts and efficiently share information amongst state agencies has been significant in creating timely leads on possible violations of state agency laws pertaining to worker misclassification. During this past fiscal year, there has been continuous tuning of the Employee Classification Application (ECA) analytics and workflow processes to increase greater efficiencies in communication and reduction of workflow times amongst state agencies.

During the Fiscal Year, the Section performed targeted educational outreach to utilize technology to contact all 100 counties across the state. In collaboration with North Carolina Central University School of Law's Virtual Justice Project, the Section performed targeted educational outreach to utilize technology to contact all 100 counties across the state. The Director utilized the technology of the Virtual Justice Center and recorded an informational session on Employee Classification which was then shared with County Planning Departments across the state.

Furthermore, the Employee Classification Section presented information to approximately 50 Division of Employment Security Auditors on the process of Employee Classification and how the auditors further the mission of the Employee Classification Section. Finally, the Employee Classification Section presented information to the NC Department of Labor's Occupational Safety and Hazard Advisory Council Meeting.

North Carolina Employee Classification Statistics FY 2017-18

North Carolina Industrial Commission¹⁶

Number of Complaints Received (Excluding NC DES)	328
North Carolina Industrial Commission Collections	\$611,742 ¹⁷

United States Department of Labor - Wage and Hour Division¹⁸

Complaints Received	13
Number of Workers found to be Misclassified	211
Amount of Back Wages Assessed to Base upon Complaints Received	\$273,878

NC Division of Employment Security¹⁹

Complaints Received	2,077
Number of Workers found to be Misclassified	8,119
Tax Indebtedness Assessed for Misclassified Workers	\$1,702,138
Wages on which Unemployment Tax has not been paid	\$65,575,540

NC Department of Labor

Division Investigations (Wage and Hour & Occupational Safety Health)	44
Gross Wages Due	\$28,750
Wages Paid	\$5,320
Penalties Due	\$5,673
Penalties Paid	\$3,532

NC Department of Revenue

The North Carolina Department of Revenue mitigates the loss of individual income tax due to the possible misclassification of workers through four distinct initiatives. Each distinctive programs, each of the below listed initiatives of the North Carolina Department of Revenue are a part of the department's focus to curtail worker misclassification.

This fiscal year marks the initial report of the North Carolina Department of Revenue to the NC Employee Classification Section which includes all initiatives with the number of audit cases, assessments and amounts collected for each initiative:

1. The Information Return Master File (IRMF) utilizes data from the Internal Revenue Service to identify taxpayers which have failed to file an individual income tax return for Federal or State tax purposes. The case and assessment information in the table below only includes taxpayers who have either received income from a 1099-Misc, non-

¹⁶ This represents complaints referred from the Employee Classification Section to the Compliance and Fraud Investigation Section.

¹⁷ This amount is included in the total amount of penalties collected by the Compliance and Fraud Investigation Section.

¹⁸ US Department of Labor Wage and Hour Division is responsible for the enforcement of the Fair Labor Standards Act (2009) which ensures overtime payment, tip credit child labor and nursing mothers protections.

¹⁹ The unemployment insurance rate for businesses range from 0.06% to 5.76%.

employee compensation form and have failed to file income tax returns.

2. The Schedule C Initiative performs audits of taxpayers who have overstated expenses or understated income based upon their federal Schedule C.
3. ITIN Initiative focuses on taxpayers that request an inflated refund amount. The NC Department of Revenue requires the taxpayer to provide additional documentation to determine the accuracy of tax liability or refund.
4. 4% ITIN Withholding Initiative is designed to identify and audit any taxpayer who has made payment to an ITIN holder under a 1099-Misc but fails to withhold 4% percent income tax.

COLLECTION DATA FROM NC DOR FY 2017-18

Compliance Initiatives	Number of Audit Cases	Assessments	Collections
IRMF Non-filer (1099-Misc) Initiative	15,589	\$33,838,805	\$17,754,744
Schedule C Initiative	2582	\$11,462,094	\$2,870,585
ITIN Initiative	6243	\$8,796,751	\$6,432,057
4% ITIN Withholding Initiative	151	\$3,815,303	\$1,478,490
Totals	24,565	\$57,912,953	\$28,535,876

EXECUTIVE SECRETARY'S OFFICE

Mission Statement

The Executive Secretary's Office is committed to assisting all parties to workers' compensation claims in a professional manner through informed administrative rulings, consistent processes, and prompt and courteous communication.

About the Executive Secretary's Office

The Executive Secretary's Office handles administrative review of issues for the Industrial Commission. This office is responsible for the review and approval or disapproval of the vast majority of Compromise Settlement Agreements filed with the Industrial Commission. This section is responsible for reviewing and deciding Form 24 *Applications to Terminate or Suspend Payment of Compensation* and Form 23 *Applications to Reinstate Payment of Disability Compensation*. Telephone hearings are often held in regard to these applications. In addition, Orders are issued after review of Administrative Motions, Third Party Settlements, and a variety of other issues.

Orders on Compromise Settlement Agreements	10,049
Orders on Third Party Distributions	666
Orders/Dispositions on Form 24 Applications to Terminate or Suspend Payment of Compensation	1,545
Orders/Dispositions on Form 23 Applications to Reinstate Payment of Disability Compensation	224
Orders on Medical Motions	2,094
Orders/Dispositions on Administrative Motions	3,175
Total Orders/Dispositions	17,753
<hr/>	
Total Number of Calls and Voicemails Answered by Executive Secretary's Assistant	1,783

REPORT PURSUANT TO N.C. GEN. STAT. § 97-78(g)(2) REGARDING EXPEDITIOUS RESOLUTION OF DISPUTES FOR MEDICAL COMPENSATION

The Executive Secretary's Office issued 2,094 Orders on Medical Motions for FY 2017-18. None of the Orders was filed more than 75 days after the filing of the motion requesting relief.

EXECUTIVE SECRETARY WORKERS' COMPENSATION INFORMATION SPECIALISTS

Mission Statement

The Information Specialists strive to provide callers and visitors with accurate and knowledgeable information in a prompt and courteous manner.

About the Workers' Compensation Information Specialists

The Executive Secretary's Office also includes the Information Specialists Program (formerly the Ombudsman Program), which is operated in accordance with N.C. Gen. Stat. § 97-79(f) to assist claimants who are not represented by an attorney, employers, or other parties in protecting their rights. In addition, the Workers' Compensation Information Specialists can provide information regarding Tort Claims against state departments and agencies and other matters under the jurisdiction of the Commission and related statutes and rules.

Number of Calls Answered and Returned (English)	17,320
Number of Calls Answered and Returned (Spanish)	380
Total Calls Answered	17,770
Number of Walk-Ins Assisted	33
Correspondence (letters & e-mails) Answered	1,433
Informational Packets Mailed to Citizens	419

INFORMATION TECHNOLOGY SECTION

Mission Statement

The mission of the Information Technology Section (IT Section) is to identify, facilitate, innovate, implement, and support information systems technology hardware and software solutions which enable the North Carolina Industrial Commission to fulfill its commitment to provide excellent customer service in the 21st century.

About the IT Section

The IT Section is responsible for safeguarding the information, information systems, and information systems infrastructure of the Commission. This is accomplished through the development of procedures for technical and operational processes, managing and maintaining agency software applications and licenses, maintaining and upgrading hardware, and managing data security. This office also provides technology training and internal end-user support.

IT Section Initiatives and Accomplishments

Legal Case Management System (LCMS) Project

The Commission needs a fully-integrated legal case management system solution to meet the changing needs of our stakeholders. Currently, various document files and data are scattered among different legacy applications and outmoded platforms, making the administration of claims cumbersome and inefficient.

In the past year, with the assistance of the NC Department of Information Technology (NCDIT), the IT Section has successfully facilitated and completed the initial State-mandated due diligence phases of this project. The IT Section will continue to manage and implement the LCMS project. The implementation of a fully-integrated legal case management system solution will not only increase efficiency within the Commission, but will enable the Commission to provide new and enhanced services and access to external and internal customers.

Virtual Collaboration and Video Conferencing Project

The Commission has been dependent on other North Carolina agencies to facilitate and conduct remote video conference hearings and meetings. The IT Section has successfully identified and implemented video conference hardware and software technology resources, which provide the Commission the capability to conduct remote video conference hearings with any Internet capable device. The Commission's Regional Offices also have access to these collaboration resources.

Fax Reduction/Elimination Project

The IT Section maintains the Commission's fax server. Fax communications and technology are no longer viable or cost effective. The Commission has been averaging 30,000 faxes per month. The IT Section has been tasked with dramatically reducing or even eliminating fax communications. To date, the IT Section efforts have decreased the fax volume by two-thirds, to a new average of 9,500 faxes per month. The remaining fax volume is being analyzed to determine alternative communication solutions.

Charlotte Regional Office Relocation/Collocation Project

The IT Section successfully managed the planning and execution of all technology, network, telephone, and logistics aspects of the relocation of the Commission's Charlotte Regional Office to the NC Department of Insurance Charlotte Regional Office.

MEDIATION SECTION

Mission Statement

The Mediation Section is responsible for effectively, fairly and efficiently administering the Commission's mediation program, with the goal of empowering the parties in pending cases to take an active role in the resolution of their disputes, to minimize the need for hearings and appeals, to expedite the dispute resolution process, and to enable the Industrial Commission to devote its adjudicatory resources to those cases not conducive to settlement.

About the Mediation Section

When a claim is contested, the parties are generally referred to mediation as a way of resolving the claim without a formal hearing. Cases usually bypass mediation when an injured worker is not represented by an attorney. The Mediation Section oversees this process by educating the stakeholders concerning mediation theories and procedures, ruling on any motions related to mediation, and by ensuring that the parties and mediators adhere to certain timelines, move the case forward, and submit the required forms and reports. While the mediators who serve in these cases are generally not state employees, mediators must complete a formal mediation training program and be certified by the Dispute Resolution Commission. Pursuant to Rule 04 NCAC 10E .0203 (recently re-codified as 11 NCAC 23E. 0203) the Mediation Section issues \$200.00 fee invoices for the processing of the *Report of Mediator* forms in workers' compensation cases.

The Mediation Program has continued to be very successful and resilient despite a wide variety of changes in the workers' compensation field. For example, most cases are referred to mediation upon the filing of Form 33 Requests for Hearing pursuant to the Commission's automatic referral procedures. The volume of cases automatically referred to mediation was substantially lower this fiscal year due to a 14.2% decrease in the filing of requests for hearing in workers' compensation cases. Nevertheless, there was only a 1.7% decrease in the overall number of cases referred to mediation because of an increase in voluntary mediation. Thus, more than 8,500 cases were referred to mediation for the 17th straight fiscal year, and the 9,677 cases referred to mediation in FY 2017-18 was the most ever other than the record setting amount in FY 2016-17. Likewise, there was only a 1.2% decrease in the amount of report of mediator processing fees collected, as the Commission collected \$1,627,200 in processing fees for these reports in FY 2017-18.

The success and resiliency of the program was also evident in its settlement rate at mediation which exceeded 72.5% for the fourth straight fiscal year. Prior to FY 2014-15, the annual settlement rate at mediation conferences had exceeded 72.5% only once during the initial twenty years of the program.

Mediation Section Summary for FY 2017-18

Cases Referred to Mediation	9,677
Settlement Rate at Mediation Conferences	72.91%
Overall Settlement Rate	76.02%

MEDICAL FEES SECTION

Mission Statement

The Medical Fees Section is committed to providing prompt and efficient service by performing timely and accurate bill processing when needed, answering inquiries regarding the Industrial Commission's Medical Fee Schedule, and assisting with the resolution of medical fee disputes.

About the Medical Fees Section

The Medical Fees Section reviews bills for medical services provided as a result of a workers' compensation claim when a carrier or employer needs assistance. Medical bills are reviewed and adjusted in accordance with the Commission's Medical Fee Schedule and then returned to the insurance carrier, third-party administrators, or self-insurer handling the claim. The Medical Fees Section also responds to medical bill inquiries, resolves medical fee disputes, and assists in updating the Medical Fee Schedule. In accordance with N.C. Gen. Stat. § 97-26(i), the Commission has adopted a Medical Provider Fee Dispute Resolution Procedure by Rule 04 NCAC 10A .0614 (recently re-codified as 11 NCAC 23A. 0614).

Medical Bills Processed

Total Bills Processed	448²⁰
Inpatient Hospital	183
Physician	242
Miscellaneous, Dental, & Chiropractic	23
Bills Awaiting a Response	0

Summary of Medical Provider Fee Disputes Processed

Total Cases Received	462²¹
Paid	60
Resolved, payment pending	4
Referred for legal review	0
Unfounded	18
Pending	380
Amount Paid to Providers following fee dispute resolution (may include payments from disputes filed in prior fiscal years)	\$64,995.44

²⁰ The decline in total bills processed for the last few years results from a change in Industrial Commission rules allowing carriers and other payers to apply the fee schedule and pay providers without prior Industrial Commission approval.

²¹ This number and the number pending below are higher than previous years due to multiple disputes filed by one provider related to a particular type of charge. The Commission continues to assist the parties with these disputes.

MEDICAL REHABILITATION NURSES SECTION

Mission Statement

The North Carolina Industrial Commission Medical Rehabilitation Nurses Section administers the mandatory training courses for Rehabilitation Professionals and collaboratively facilitates and coordinates high quality and effective medical care and rehabilitation such that an injured worker's maximum level of functionality is optimized, both physically and mentally.

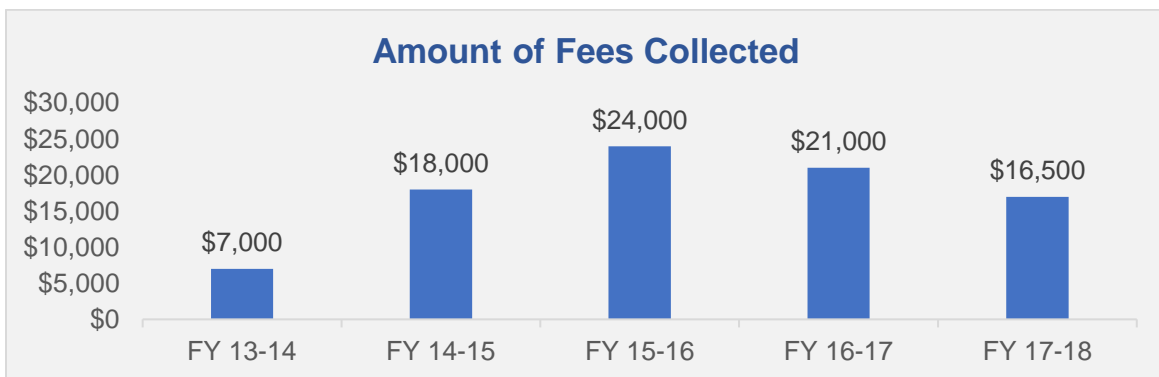
About the Medical Rehabilitation Nurses Section

The Nurses Section is responsible for the provision of NCIC Mandatory Rehabilitation Professional Training, acknowledgment of the Form 25N *Notice of Assignment of Rehabilitation Professional*, and the maintenance of the NCIC Registry of Workers' Compensation Rehabilitation Professionals. The mandatory training is required for all Rehabilitation Professionals who work on workers' compensation cases in North Carolina. The mandate requires a comprehensive initial training course for all Rehabilitation Professionals and a "refresher" course that must be taken every five years to maintain "Qualified" status.

The Nurses Section is also tasked with providing medical rehabilitation consultative services to a variety of NC Workers' Compensation audiences, including injured workers, insurance carriers, attorneys, rehabilitation professionals, and health care providers when ordered. The Nurses Section assists with case management and medical rehabilitation needs in the event difficulties interfere with the ongoing progress of returning injured workers to their maximum functional capabilities. The Nurses Section assisted with a total of 107 cases in FY 2017-18 in addition to the provision of 15 mandatory training classes.

Nurses Section Summary of FY 2017-18

Total Cases	107
Acknowledged Form 25N's (Notice of Assignment of Rehabilitation Professional)	12,507
Rehabilitation Professionals Trained	259



Industrial Commission

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