

No. **2021-7144**

Confidential Information Redacted
Texas Labor Code §§402.083 and 402.092

**Official Order
of the
Texas Commissioner of Workers' Compensation**

Date: 12/31/2021

Subject Considered:

Huntsville Memorial Hospital
P.O. Box 4438
Houston, Texas 77210-4438

Consent Order
DWC Enforcement File Nos. 27789 and 27973

General remarks and official action taken:

This is a consent order with Huntsville Memorial Hospital (Huntsville Memorial). The commissioner of the Texas Department of Insurance, Division of Workers' Compensation (DWC) considers whether DWC should take disciplinary action against Huntsville Memorial.

Waiver

Huntsville Memorial acknowledges that the Texas Labor Code and other applicable laws provide certain rights. Huntsville Memorial waives all of these rights, and any other procedural rights that apply, in consideration of the entry of this consent order.

Findings of Fact

1. Huntsville Memorial is a health care provider operating in the Texas workers' compensation system.
2. Huntsville Memorial was not selected to be tiered in the 2007, 2009, 2011, 2013, 2015, 2017, or 2019 Performance Based Oversight (PBO) assessments.

Improperly Pursuing a Private Claim against an Injured Employee

Case # 27789

3. On [REDACTED] Huntsville Memorial provided health care services to an injured employee.
4. On [REDACTED] and [REDACTED] Huntsville Memorial sent a bill to the injured employee for the health care services it provided on [REDACTED]
5. On [REDACTED] Huntsville Memorial sent a bill to the injured employee's workers' compensation insurance carrier for the health care services it provided on [REDACTED]
6. On [REDACTED] DWC sent a letter to Huntsville Memorial to inform it of the injured employee's status as a workers' compensation claimant and direct it to cease billing the injured employee.
7. On [REDACTED] and [REDACTED] Huntsville Memorial sent a bill to the injured employee for the health care services it provided on [REDACTED]
8. There is no finding determining that the injured employee violated TEX. LAB. CODE § 408.022 in selecting a treating doctor and no final adjudication that the claim was not compensable.

Case # 27973

9. On [REDACTED] Huntsville Memorial provided health care services to an injured employee.
10. On [REDACTED] the workers' compensation insurance carrier for the injured employee sent a letter to Huntsville Memorial requesting that the bill be submitted in the proper format. Huntsville Memorial did not resubmit the bill.
11. On [REDACTED] Huntsville Memorial sent a bill to the injured employee for the health care services it provided on [REDACTED]

12. There is no finding determining that the injured employee violated TEX. LAB. CODE § 408.022 in selecting a treating doctor and no final adjudication that the claim was not compensable.

Assessment of Sanction

1. Improperly billing an injured employee for health care services imposes an undue financial burden on the injured employee and circumvents the Texas workers' compensation system and the roles of its system participants.
2. In assessing the sanction for this case, DWC fully considered the following factors in TEX. LAB. CODE § 415.021(c) and 28 TEX. ADMIN. CODE § 180.26(e):
 - the seriousness of the violation, including the nature, circumstances, consequences, extent, and gravity of the prohibited act;
 - the history and extent of previous administrative violations;
 - the violator's demonstration of good faith, including actions it took to rectify the consequences of the prohibited act;
 - the penalty necessary to deter future violations;
 - whether the administrative violation had a negative impact on the delivery of benefits to an injured employee;
 - the history of compliance with electronic data interchange requirements;
 - to the extent reasonable, the economic benefit resulting from the prohibited act; and
 - other matters that justice may require, including, but not limited to:
 - PBO assessments;
 - prompt and earnest actions to prevent future violations;
 - self-report of the violation;
 - the size of the company or practice;
 - the effect of a sanction on the availability of health care; and
 - evidence of heightened awareness of the legal duty to comply with the Texas Workers' Compensation Act and DWC rules.
3. DWC found the following factors in TEX. LAB. CODE § 415.021(c) and 28 TEX. ADMIN. CODE § 180.26(e) to be aggravating: the seriousness of the violation; the history and extent of previous administrative violations; the penalty necessary to deter future violations; and other matters that justice may require, including evidence of heightened awareness of the legal duty to comply with the Texas Workers' Compensation Act and DWC rules.

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4. DWC found no factors in TEX. LAB. CODE § 415.021(c) and 28 TEX. ADMIN. CODE § 180.26(e) to be mitigating.
5. Huntsville Memorial acknowledges it communicated with DWC about the relevant statutes and rules it violated; the facts establish that the administrative violation occurred; and the proposed sanction is appropriate, including the factors DWC considered under TEX. LAB. CODE § 415.021(c) and 28 TEX. ADMIN. CODE § 180.26(e).
6. Huntsville Memorial acknowledges that, in assessing the sanction, DWC considered the factors in TEX. LAB. CODE § 415.021(c) and 28 TEX. ADMIN. CODE § 180.26(e).

Conclusions of Law

1. The commissioner has jurisdiction over this matter pursuant to TEX. LAB. CODE §§ 402.001, 402.00114, 402.00116, 402.00128, 414.002, 414.003, 415.002, and 415.021.
2. The commissioner has the authority to dispose of this case informally pursuant to TEX. GOV'T. CODE § 2001.056, TEX. LAB. CODE §§ 401.021 and 402.00128(b)(6)-(7), and 28 TEX. ADMIN. CODE § 180.26(h) and(i).
3. Huntsville Memorial has knowingly and voluntarily waived all procedural rights to which it may have been entitled regarding the entry of this order, including, but not limited to, issuance and service of notice of intent to institute disciplinary action, notice of hearing, a public hearing, a proposal for decision, a rehearing by the commissioner, and judicial review.
4. Pursuant to TEX. LAB. CODE § 415.021, the commissioner may assess an administrative penalty against a person who commits an administrative violation.
5. Pursuant to TEX. LAB. CODE § 415.003(5) and(6), a health care provider commits an administrative violation if it violates a commissioner rule or fails to comply with a provision of the Texas Workers' Compensation Act.
6. Pursuant to TEX. LAB. CODE § 413.042, a health care provider commits an administrative violation if it pursues a private claim against a workers' compensation claimant for all or part of the cost of a health care service it provides to the injured employee unless the injury is finally adjudicated as not compensable,

or the injured employee violates TEX. LAB. CODE § 408.022 relating to the selection of a doctor.

7. Huntsville Memorial violated TEX. LAB. CODE §§ 413.042 and 415.003(5) and (6) when it improperly billed an injured employee for workers' compensation health care services it provided.

Order

It is ordered that Huntsville Memorial Hospital must pay an administrative penalty of \$7,500 within 30 days from the date of this order. Huntsville Memorial Hospital must pay the administrative penalty by company check, cashier's check, or money order and make it payable to the "State of Texas." Mail the administrative penalty to the Texas Department of Insurance, Attn: DWC Enforcement Section, MC AO-9999, P.O. Box 12030, Austin, Texas 78711-2030.



Dan Paschal, J.D.
Deputy Commissioner
Policy & Customer Services
TDI, Division of Workers' Compensation

Approved Form and Content:



Amy Norman
Staff Attorney, Enforcement
Compliance and Investigations
TDI, Division of Workers' Compensation

Unsworn Declaration

STATE OF Texas

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COUNTY OF Walker

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Pursuant to the TEX. CIV. PRAC. AND REM. CODE § 132.001(a), (b), and (d), my name is James Jenkins. I hold the position of CFO and am the authorized representative of Huntsville Memorial Hospital. My business address is:

110 Memorial Hospital Dr., Huntsville, Walker, TX, 77340

(Street)

(City)

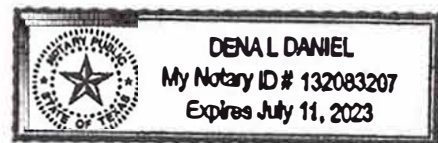
(County) (State) (ZIP Code)

I am executing this declaration as part of my assigned duties and responsibilities. I declare under penalty of perjury that the facts stated in this document are true and correct.


Declarant

Executed on 12/20, 2021.





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