

No. **2025-9667**

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

Date: 12/10/2025

Subject Considered:

UMC Health System
PO Box 5980
Lubbock, Texas 79408-5980

Consent Order
DWC Enforcement File No. 37420

General remarks and official action taken:

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

Waiver

Respondent acknowledges that the Texas Labor Code and other applicable laws provide certain rights. Respondent 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. Respondent is a self-insured government entity that provides workers' compensation benefits to its employees in accordance with Tex. Lab. Code Ch. 504.
2. Respondent was not selected to be tiered in the 2024 Performance Based Oversight (PBO) assessment. Respondent was classified as "average" tier in the 2022 PBO assessment and as "high" tier in the 2020 PBO assessment.

Failure to Timely Pay Accrued Impairment Income Benefits (IIBs)

3. Respondent was required to pay IIBs to an injured employee from [REDACTED], through [REDACTED]. The IIBs payments were due seven days after the first day of the pay period. Respondent failed to timely pay [REDACTED] in IIBs, as follows:

	Payment Period	Date Due	Date Paid	Days Late
a.	[REDACTED]	[REDACTED]	[REDACTED]	5
b.	[REDACTED]	[REDACTED]	[REDACTED]	143
c.	[REDACTED]	[REDACTED]	[REDACTED]	136
d.	[REDACTED]	[REDACTED]	[REDACTED]	129
e.	[REDACTED]	[REDACTED]	[REDACTED]	119
f.	[REDACTED]	[REDACTED]	[REDACTED]	115
g.	[REDACTED]	[REDACTED]	[REDACTED]	108
h.	[REDACTED]	[REDACTED]	[REDACTED]	101
i.	[REDACTED]	[REDACTED]	[REDACTED]	94
j.	[REDACTED]	[REDACTED]	[REDACTED]	87
k.	[REDACTED]	[REDACTED]	[REDACTED]	80
l.	[REDACTED]	[REDACTED]	[REDACTED]	73
m.	[REDACTED]	[REDACTED]	[REDACTED]	66
n.	[REDACTED]	[REDACTED]	[REDACTED]	59
o.	[REDACTED]	[REDACTED]	[REDACTED]	52
p.	[REDACTED]	[REDACTED]	[REDACTED]	45
q.	[REDACTED]	[REDACTED]	[REDACTED]	38
r.	[REDACTED]	[REDACTED]	[REDACTED]	31
s.	[REDACTED]	[REDACTED]	[REDACTED]	24
t.	[REDACTED]	[REDACTED]	[REDACTED]	17
u.	[REDACTED]	[REDACTED]	[REDACTED]	10
v.	[REDACTED]	[REDACTED]	[REDACTED]	3

Assessment of Sanction

1. Failure to provide income benefits in a timely and cost-effective manner is harmful to injured employees and the Texas workers' compensation system.
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):

Confidential Information Redacted
 Texas Labor Code §§402.083 and 402.092

- 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;
 - 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:
- a. the violation is serious, affecting the delivery of [REDACTED] and 22 weeks of IIBs up to 143 days late;
 - b. a penalty is necessary to deter future violations considering that more than 45% of IIBs owed to the injured employee were paid late; and
 - c. the conduct negatively impacted the delivery of [REDACTED] in IIBs.
4. DWC found the following factors mitigating under Tex. Lab. Code § 415.021(c) and 28 Tex. Admin. Code § 180.26(e):
- a. Respondent is a political subdivision with 3.7% of its operating budget partially funded through public property tax receipts; and
 - b. Although this is not Respondent's first violation involving late benefits, this is Respondent's first administrative violation involving late IIBs.
5. Respondent acknowledges communicating with DWC about the relevant statute and rule violations alleged; that the facts establish that the administrative violation(s) occurred; and that 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. Respondent 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, and 414.003.
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. Respondent 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 § 415.002(a)(22), an insurance carrier or its representative commits an administrative violation each time it fails to comply with a provision of the Texas Workers' Compensation Act.
6. Pursuant to Tex. Lab. Code §§ 408.081, 409.023, and 415.002(a)(16), an insurance carrier must pay benefits weekly, as and when the benefits accrue, without order from the commissioner.
7. Pursuant to Tex. Lab. Code § 408.121(a), an employee's entitlement to IIBs begins the day after the employee reaches maximum medical improvement and ends on the earlier of the date of expiration of a period computed at the rate of three weeks for each percentage point of impairment or the date of the employee's death.
8. Respondent violated Tex. Lab. Code §§ 408.121, 409.023 and 415.002(a)(16), and (22) each time it failed to timely pay IIBs.

Order

It is ordered that UMC Health System must pay an administrative penalty of \$9,750 within 30 days from the date the Commissioner signs the order.

After receiving an invoice, UMC Health System must pay the administrative penalty by electronic transfer using the State Invoice Payment Service, 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, PO Box 12030, Austin, Texas 78711-2030.



Jeff Nelson
Commissioner
TDI, Division of Workers' Compensation

Approved Form and Content:



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