

No. **2025-9673**

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

Date: 12/10/2025

Subject Considered:

Covenant Health System SBO-PP
2107 Oxford Avenue Suite 300
Lubbock, Texas 79410-1160

Consent Order
DWC Enforcement File No. 37571

General remarks and official action taken:

This is a consent order with Covenant Health System SBO-PP (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 health care provider operating in the Texas workers' compensation system.
2. Respondent was not selected to be tiered in the 2019, 2021, or 2023 Performance Based Oversight (PBO) assessments.

Improperly Pursuing a Private Claim Against an Injured Employee

3. On [REDACTED], Respondent provided health care services to an injured employee in connection with a work-related injury.
4. On [REDACTED], Respondent first sent a [REDACTED] bill to the injured employee for the [REDACTED], health care services.
5. On [REDACTED], DWC notified Respondent by facsimile and telephone that the health care services were provided for a work-related injury, instructing Respondent to bill the injured employee's workers' compensation insurance carrier, and to cease directly billing the injured employee.
6. On [REDACTED], and [REDACTED] 024, Respondent again billed the injured employee [REDACTED] for the health care services.
7. On [REDACTED], and [REDACTED], Respondent billed the injured employee for the fourth and fifth time, but increased the bill to [REDACTED].
8. On [REDACTED], Respondent billed the injured employee for the sixth time, further increasing the bill to [REDACTED].
9. On [REDACTED], the insurance adjuster called Respondent to ensure Respondent had the proper billing information for the claim. Respondent agreed to stop billing the injured employee directly.
10. On [REDACTED], DWC called Respondent and Respondent confirmed that they would stop billing the injured employee directly and would bill the insurance carrier instead.
11. On [REDACTED], Respondent billed the injured employee [REDACTED] for the seventh time for the [REDACTED], health care services.
12. On [REDACTED], Respondent confirmed with DWC for the second time that Respondent would stop billing the injured employee directly for the health care services and would bill the workers' compensation carrier instead.

13. On [REDACTED], Respondent again billed the injured employee for the eighth time, but inexplicably lowered the bill to [REDACTED].
14. On [REDACTED], DWC issued a warning letter to Respondent in Enforcement case 36711 finding a violation of Tex. Lab. Code § 413.042 for improperly pursuing a private claim against the injured employee.
15. On [REDACTED], a collection agency contacted the injured employee attempting to collect the [REDACTED] balance.
16. On [REDACTED], Respondent confirmed with DWC that it would facilitate the removal of the debt from injured employee's account with the collection agency.
17. On [REDACTED], Respondent confirmed with DWC that Respondent had taken steps to remove the injured employee's account from collections. However, after further investigation, the evidence shows that Respondent did not request to remove the injured employee's account from collections until [REDACTED].
18. 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.
19. Respondent has engaged in a knowing or willful pattern of conduct resulting in significant harassment of the injured employee.

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;
 - 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 because Respondent unlawfully attempted to collect █████ from an injured employee, sent the bill to collections, and required seven different notifications before reaching compliance;
 - b. the violation is serious because Respondent engaged in knowing or willful conduct, a priority investigation under Tex. Lab. Code § 402.0235;
 - c. Respondent was issued a warning letter for the same conduct with the same injured employee in Enforcement case 36711;
 - d. a penalty is necessary to deter future violations; and
 - e. there is evidence of heightened awareness of the legal duty to comply with the Texas Workers' Compensation Act and DWC rules.
4. DWC is aware of no mitigating factors pursuant to Tex. Lab. Code § 415.021(c) and 28 Tex. Admin. Code § 180.26(e).
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 § 415.003(6), a health care provider commits an administrative violation if it fails to comply with a provision of the Texas Workers' Compensation Act.

Improperly Pursuing a Private Claim Against an Injured Employee

6. Pursuant to Tex. Lab. Code § 413.042, a health care provider commits an administrative violation by pursuing a private claim against a workers' compensation claimant for all or part of the cost of a health care service 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. Respondent violated Tex. Lab. Code §§ 413.042 and 415.003(6) by improperly billing an injured employee for workers' compensation health care services.

Order

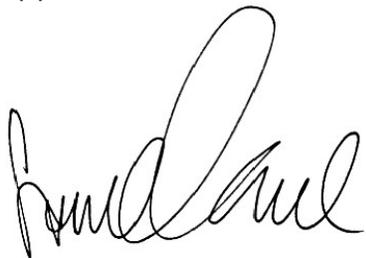
It is ordered that Covenant Health System SBO-PP must pay an administrative penalty of \$3,000 within 30 days from the date the Commissioner signs the order.

After receiving an invoice, Covenant Health System SBO-PP 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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