

Performance Based Oversight 2024 Assessment Plan Insurance Carriers

The Texas Department of Insurance, Division of Workers' Compensation (DWC) evaluates the performance of workers' compensation insurance carriers in selected areas of compliance through Performance Based Oversight assessments. See [Texas Labor Code §402.075](#). Insurance carriers are placed into a high, average, or poor regulatory tier based on the outcome.

There are five measures for the 2024 assessment.

Measures

Insurance carriers will be placed into regulatory tiers based on the following measures:

1. Timely payment of initial temporary income benefits by the insurance carrier.
2. Timely reporting of initial payment (IP) data to DWC via Texas Claim EDI Release 3.1.4. *Note: This measure will not be factored into the tier placement. See **Scoring and Tier Placement** on page 2.*
3. Timely processing of initial medical bills by the insurance carrier.
4. Timely processing of requests for reconsideration of medical bills by the insurance carrier.
5. Timely reporting of medical data to DWC via Texas Medical State Reporting Release 1.0.

Selection Criteria

Insurance carriers that reported 20 or more initial payments (IP) of temporary income benefits during the assessment data time frame will be included.

Data Time Frame

The data time frame used to assess performance of the insurance carriers for the above measures will be January 1, 2024, through June 30, 2024.

Data Sources

- For measures 1 and 2: Texas Claim Release 3.1.4 EDI reports accepted (TA) and accepted with errors (TE) from January 1, 2024, through June 30, 2024.
- For measures 3, 4 and 5: Texas Medical State Release 1.0 EDI reports accepted (TA) and accepted with errors (TE) from January 1, 2024, through June 30, 2024.

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Findings & Rebuttals

For each measure reviewed, DWC will determine whether it was handled timely or untimely using the claim and medical data reported by the insurance carrier during the data time frame. DWC will send findings and tier ratings to insurance carriers through their Austin Representative.

Untimely findings for the following measure will be eligible for rebuttal:

1. Timely payment of initial temporary income benefits by the insurance carrier.

Rebuttals must be received by the specified deadline. If a response is not received by the deadline, the findings and tier ratings become final.

Scoring and Tier Placement

Measures	Score	Weight	Subtotals
<i>1 – Timely payment of TIBS*</i>	Timely Items	50 points	Score x 50
	Total items reviewed		
2 – Timely reporting of initial payment of TIBS	Timely Items	NA	NA
	Total items reviewed		
3 – Timeliness of processing initial medical bills	Timely Items	30 points	Score x 30
	Total items reviewed		
4 – Timeliness of processing requests for reconsideration of medical bills	Timely Items	10 points	Score x 10
	Total items reviewed		
5 – Timeliness of submission of the EDI medical data	Timely Items	10 points	Score x 10
	Total items reviewed		
Total Score			Add subtotals

**Untimely findings are eligible for rebuttal.*

High Tier: 95.00 or greater
Average Tier: 80.00 through 94.99
Poor Tier: 79.99 or less

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PBO Schedule 2024

- **January 1 – June 30:** Claim and medical data is reported by insurance carriers to DWC.
- **July:** Data is reviewed by DWC.
- **July:** Findings and tier ratings are sent to the insurance carriers with a rebuttal deadline for the eligible categories.
- **August:** Rebuttals for eligible categories are reviewed.
- **September:** Final findings and tier ratings are sent to the insurance carriers.
- **October:** DWC publishes results.

Publication of Tier Rating

A list of all insurance carriers selected, and their corresponding tier ratings are published on DWC’s website at www.tdi.texas.gov/wc/pbo/index.html.

Impact of Tier Ratings

DWC provides incentives for high performance during PBO. DWC will focus oversight efforts on insurance carriers found to be poor performers in PBO.

The following table describes how PBO tier ratings may affect the insurance carrier during other compliance processes at DWC.

PBO Insurance Carrier Tier Rating	DWC Compliance & Investigations Audits	DWC Enforcement Fines/Penalties
High	Exempted*	Consider pursuant to 28 TAC §180.26 (e)
Average	Included if selection criteria are met	Consider pursuant to 28 TAC §180.26 (e)
Poor	Included regardless of whether selection criteria are met	Consider pursuant to 28 TAC §180.26 (e)

* DWC may audit high tier performers at its discretion

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Recognition of High Performers

High performers will be recognized on DWCs website and will receive a signed certificate from the commissioner which can be used as a marketing tool.

Reminder regarding compliance, investigations, and enforcement.

DWC may impose sanctions on any insurance carrier that commits an administrative violation. The insurance carrier's PBO tier rating is one of the factors that DWC is required to consider.

DWC considers factors in [Texas Labor Code §415.021\(c\)](#) and [28 TAC §180.26](#) when determining appropriate enforcement actions.