

No. 2025-9270

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

Date: 4/23/2025

Subject Considered:

FedEx Ground Package System Incorporated
1000 FedEx Drive
Coraopolis, Pennsylvania 15108-9373

Consent Order
DWC Enforcement File No. 35682

General remarks and official action taken:

This is a consent order with FedEx Ground Package System Incorporated (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 certified, self-insured, employer that provides workers' compensation benefits to its employees in accordance with Tex. Lab. Code Ch. 407.
2. Respondent was classified as "average" tier in the 2020 and 2024 Performance Based Oversight (PBO) assessments. Respondent was classified as "poor" tier in the 2022 PBO assessment.

DWC Audit No. MBP-24-204

3. On [REDACTED], DWC initiated DWC Audit No. MBP-24-204 to determine whether Respondent complied with the Texas Labor Code and related rules on the timely processing of initial medical bills and the timely and accurate reporting of electronic data interchange (EDI) medical bill payment data to DWC.
4. The audit examined initial medical bills submitted to DWC between [REDACTED], and [REDACTED]. DWC identified 100 bills for audit. A total of one bill failed to meet selection criteria and was dropped from the audit sample. The remaining 99 bills were reviewed to determine Respondent's compliance.
5. The audit focused on the timely and accurate processing of initial medical bills and EDI reporting. The EDI portion of the audit focused on the timely and accurate reporting of medical bill payment data and seven data elements reported to DWC (Rendering Line Provider National Provider Identifier Number (NPI), Rendering Line Provider State License Number, Referring Provider Last/Group Name, Referring Provider State License Number, Billing Provider Federal Employer Identification Number, Date Bill Received, and Date Bill Paid or Denied).

Failure to Timely Pay Medical Bills

6. Respondent failed to timely process 16.16% of the initial medical bills within 45 days of receiving the bill (16 out of 99).
7. Specifically, Respondent issued payments to health care providers less than 30 days late in 11 instances and more than 30 days late in five instances.

Failure to Timely and Accurately Report EDI Medical Bill Payment Data to DWC

8. Respondent failed to accurately report the Rendering Line Provider NPI for 1.01% of the examined bills (1 out of 99).
9. Respondent failed to accurately report the Rendering Line Provider State License Number for 16.16% of the examined bills (16 out of 99).
10. Respondent failed to accurately report the Referring Provider Last/Group Name for 1.01% of the examined bills (1 out of 99).

11. Respondent failed to accurately report the Referring Provider State License Number for 4.04% of the examined bills (4 out of 99).
12. Respondent failed to accurately report the Date Bill Received for 3.03% of the examined bills (3 out of 99).
13. Respondent failed to accurately report the Date Bill Paid or Denied for 3.03% of the examined payments (3 out of 99).
14. Respondent failed to timely report the Date Bill Paid or Denied for 7.07% of the examined payments (7 out of 99).

Assessment of Sanction

1. Prompt processing and payment of medical bills is imperative to DWC's goal of ensuring that injured employees have access to prompt, high-quality medical care.
2. DWC relies on medical bill payment information insurance carriers submit for many purposes, including, but not limited to, providing required information and reports to the Legislature; ensuring that health care providers and insurance carriers comply with DWC's medical policies and fee guidelines; creating medical fee guidelines; adopting treatment and return-to-work guidelines; and detecting patterns and practices in medical charges, payments, and protocols.
3. 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 EDI 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.
4. 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 violations are serious because Respondent untimely paid 16 medical bills—five more than 30 days late—for a total non-compliance rate of 16.16%;
 - b. Respondent has prior disciplinary history, including one recent order involving noncompliance with EDI requirements and one recent warning letter for untimely payment of medical bills; and
 - c. Other matters that justice may require, including Respondent's size and heightened awareness of the legal duty to comply with the Texas Workers' Compensation Act and DWC rules.
5. As a matter of justice, DWC considered as mitigating the fact that this matter results from a DWC audit and not a system participant complaint pursuant to Tex. Lab. Code § 415.021(c) and 28 Tex. Admin. Code § 180.26(e). DWC also considered Respondent's prompt and earnest actions to prevent future violations, including the implementation of weekly reports designed to monitor and prevent errors in medical bill processing, and the providing of training on medical bill processing to bill reviewers and adjusters.
6. Respondent acknowledges communicating with DWC about the relevant statute and rule violations alleged; that the facts establish that the 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).
7. 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, and 414.002.

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)(20) and (22), an insurance carrier or its representative commits an administrative violation each time it violates a DWC rule or a provision of the Texas Workers' Compensation Act.

Failure to Timely Pay Medical Bills

6. Pursuant to Tex. Lab. Code § 408.027 and 28 Tex. Admin. Code § 133.240, insurance carriers are required to timely process and take final action on a properly completed medical bill within 45 days of receiving the bill.
7. Respondent violated Tex. Lab. Code §§ 408.027 and 415.002(a)(20) & (22); and 28 Tex. Admin. Code § 133.240 each time it failed to timely process a properly completed medical bill within 45 days of receiving the bill.

Failure to Timely or Accurately Report EDI Medical Bill Payment Data to DWC

8. Pursuant to 28 Tex. Admin. Code § 134.804(d), insurance carriers are responsible for timely and accurately submitting medical EDI records to DWC.
9. Respondent violated Tex. Lab. Code § 415.002(a)(20) and 28 Tex. Admin. Code § 134.804(d) each time it failed to submit timely and accurate medical EDI records to DWC.

Order

It is ordered that FedEx Ground Package System Incorporated must pay a \$3,000 administrative penalty within 30 days from the date the Commissioner signs the order.

After receiving an invoice, FedEx Ground Package System Incorporated 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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