

Recent Minn. Penalty Authority

Ethan Landy | General Counsel



Improper billing by health care providers

MN Stat. §176.136, subd. 2a: Summary of language

- The Commissioner may assess:
 - Penalties
 - Costs
 - Expenses
- Against a health care provider who collects or attempts to collect payment from an employee in violation of workers' compensation law.

Summary of language, cont.

- A violation occurs only if the health care provider or representative was informed that the treatment or service was for a claimed injury or that the bill should be submitted to a workers' compensation insurer.
- A violation occurs each time the health care provider attempts to collect payment after the provider is notified that the employee's treatment is for a work comp injury.

Penalties

- A \$1,000 penalty is assessed against the health care provider for:
 - Each contact made in person, or by US mail, telephone, text, e-mail, or any other type of contact seeking payment.



Penalties, cont.

- The penalty amount assessed is \$2,000 for each violation if the provider or their representative:
 - Engages a collection agency or third party to collect from the employee;
 - files a claim in conciliation court;
 - attaches the employee's tax refund;
 - submits a report to a credit agency; or
 - if the employee paid the health care provider as a result of the violation.

Links: Written notification and statute

- [Model written notice to provider](#) available on DLI's website.
- [MN Stat. §176.136, subd. 2a](#)





Prohibited Practices

Minn. Stat. §176.194: Summary of 2021 updates

- Clarified application of existing workers' compensation prohibited conduct and added two new provisions
- Eliminated warnings before penalizing for specified intentional or egregious prohibited practices.
 - See [Minn. Stat. §176.194, subd. 3](#)

New prohibited practices

- Providing fraudulent written information to the department or an employee
- Failing to pay benefits or correct behavior on a claim if a penalty for the conduct was paid or became a final order.

Clarifications and penalty amount changes

- Legislation clarified two established prohibited practices:
 - for a payer to fail to pay or to deny medical bills within 45 days after the receipt of all information requested from medical providers **if the requested information is necessary to make a payment determination**; and
 - Not responding to DLI after the department asks about a matter **related to benefits, rather than about a specific claim**, and requiring that responses to DLI's inquiries to be substantive and actually address the issue raised.
- Mandatory warnings prior to penalty were eliminated for the two new penalties, as well as other intentional or egregious violations.



Campus accounts

Minn. Stat. §176.2612: Campus account requirement

- Work Comp Campus, DLI's workers' compensation claims portal, launched Nov. 2, 2020.
- DLI has statutory authority to require certain persons or entities to create and maintain an account in Campus related to a workers' compensation claim
- Once a person or entity is notified, failure to create or maintain an account may result in a penalty of \$500 for each 30-day period following the notice,
 - See [Minn. Stat. §176.2612, subd. 3](#)

Thank you!

Ethan Landy

ethan.landy@state.mn.us

651-284-5302