

COMPLIANCE AUDIT REPORT

**STATE OF MAINE
WORKERS' COMPENSATION BOARD**



**Next Level Administrators, LLC
Engagement Date: May 8, 2024
Issue Date: March 13, 2025**

Office of Monitoring, Audit & Enforcement

John C. Rohde
Executive Director

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SUMMARY

Next Level Administrators, LLC. (NLA) is a third-party administrator (TPA) that handles Maine workers' compensation claims for United Wisconsin Insurance Company.

The Audit Division of the Maine Workers' Compensation Board (Board) examined twenty-eight (28) claim files for the period under examination (2021-2023) as well as fifty-eight (58) medical payments for the period under examination (2021-2023) to determine compliance with statutory and regulatory requirements in the following areas:

- Form filing
- Timeliness of benefit payments
- Accuracy of benefit payments

The claim sample was drawn from a listing of all of NLA's 2021-2023 Maine workers' compensation claims. The medical payment sample was drawn from a listing of all of NLA's 2021-2023 medical payments for those claims in the sample.

NLA handles its Maine workers' compensation claims solely in Bradenton, Florida.

The audit work was conducted as a desk audit.

The compliance tables found on pages 22 through 27 of this report are representative of Board findings as of May 8, 2024. Since that time, the Audit Division has received additional information, missing form filings, form corrections, indemnity payments and adjustments. Based on this information, the Detailed Claims Information provided as an appendix of this report is representative of Board findings and updated form filings as of the issuance of this report.

Following is a discussion of the aforementioned compliance tables and of the steps taken since May 8, 2024 to rectify identified noncompliance issues. This discussion also includes other significant issues identified by the audit.

◆ **Form filing**

- Title 39-A M.R.S.A. and the Board Rules and Regulations provide the requirements for reports to the Board:

<i>WCB-1, First Report of Occupational Injury or Disease</i>	<i>39-A M.R.S.A. Section 303, Rules & Regs, Ch 8 Section 13, Rules & Regs, Ch 3 Section 4</i>
<i>WCB-2, Wage Statement</i>	<i>39-A M.R.S.A. Section 303</i>
<i>WCB-2B, Fringe Benefits Worksheet</i>	<i>39-A M.R.S.A. Section 303</i>
<i>WCB-3, Memorandum of Payment (MOP)</i>	<i>Rules & Regs, Ch 1 Section 1.1, Rules & Regs, Ch 1 Section 1.3, 39-A M.R.S.A. Section 205(7), Rules & Regs, Ch 8 Section 12</i>
<i>WCB-4, Discontinuance or Modification of Compensation</i>	<i>Rules & Regs, Ch 8 Section 11, Rules & Regs, Ch 8 Section 12</i>
<i>WCB-4A, Consent Between Employer and Employee</i>	<i>Rules & Regs, Ch 8 Section 18</i>
<i>WCB-8, (21 Day) Certificate of Discontinuance or Reduction of Compensation</i>	<i>39-A M.R.S.A. Section 205(9)</i>
<i>WCB-9, Notice of Controversy (NOC)</i>	<i>Rules & Regs, Ch 1 Section 1.1, Rules & Regs, Ch 3 Section 4</i>
<i>WCB-11, Statement of Compensation Paid</i>	<i>Rules & Regs, Ch 8 Section 1, Rules & Regs, Ch 8 Section 12</i>

- Failure to file any Board form within established time frames is a violation of Title 39-A M.R.S.A. Section 360(1) (A) or (B).
- First Report of Occupational Injury or Disease (WCB-1):
 - Ten (10) First Report of Occupational Injury or Disease forms were filed in accordance with the above requirements.
 - NLA's compliance rate for First Report of Occupational Injury or Disease filings is 36%, which is below the Board's performance benchmark of 85%.
 - Eighteen (18) First Report of Occupational Injury or Disease forms were filed late.
- Wage Statement (WCB-2) and Fringe Benefits Worksheet (WCB-2B):
 - Nine (9) Wage Statements and nine (9) Fringe Benefits Worksheets were filed in accordance with the above requirements.
 - NLA's compliance rate for Wage Statement filings is 32%, which is below the Board's performance benchmark of 75%.
 - NLA's compliance rate for Fringe Benefits Worksheet filings is 32%, which is below the Board's performance benchmark of 75%.
 - Eleven (11) Wage Statements and eight (8) Fringe Benefits Worksheets were filed late.

- Eight (8) Wage Statements and eleven (11) Fringe Benefits Worksheets were required, but not filed.
 - Since May 8, 2024, NLA submitted those eight (8) Wage Statements and those eleven (11) Fringe Benefits Worksheets.
- Memorandum of Payment (WCB-3 or WCB-4A) and Notice of Controversy (WCB-9):
 - Zero (0) Memorandum of Payment forms and zero (0) Notice of Controversy (“lost time”) forms were filed in accordance with the above requirements.
 - NLA’s compliance rate for Memorandum of Payment filings is 0%, which is below the Board’s performance benchmark of 85%.
 - NLA’s compliance rate for Notice of Controversy filings is 0%, which is below the Board’s performance benchmark of 90%.
 - Twenty-five (25) Memorandum of Payment forms and six (6) Notice of Controversy (“lost time”) forms were filed late.
 - Three (3) Memorandum of Payment forms were required, but not filed.
 - Since May 8, 2024, NLA submitted those three (3) Memorandum of Payment forms.
- Discontinuance of Compensation (WCB-4D or WCB-4A):
 - Seven (7) Discontinuance of Compensation forms were filed in accordance with the above requirements.
 - Ten (10) Discontinuance of Compensation forms were filed late.
 - Three (3) Discontinuance of Compensation forms were required, but not filed.
 - Since May 8, 2024, NLA submitted those three (3) Discontinuance of Compensation forms.
- Modification of Compensation (WCB-4M):
 - One (1) Modification of Compensation form was filed in accordance with the above requirements.
 - Four (4) Modification of Compensation forms were filed late.
 - Eight (8) Modification of Compensation forms were required, but not filed.
 - Since May 8, 2024, NLA submitted those eight (8) Modification of Compensation forms.

- (21 Day) Certificate of Discontinuance or Reduction of Compensation (WCB-8 or WCB-4A):
 - Five (5) (21 Day) Certificate of Discontinuance or Reduction of Compensation forms were filed in accordance with the above requirements.
 - Three (3) (21 Day) Certificate of Discontinuance or Reduction of Compensation forms were required, but not filed.
 - Since May 8, 2024, NLA submitted those three (3) (21 Day) Certificate of Discontinuance or Reduction of Compensation forms.
- Statement of Compensation Paid (WCB-11):
 - Twenty-three (23) Statement of Compensation Paid forms were filed in accordance with the above requirements.
 - Ten (10) Statement of Compensation Paid forms were filed late.
 - Nine (9) Statement of Compensation Paid forms were required, but not filed.
 - Since May 8, 2024, NLA submitted those nine (9) Statement of Compensation Paid forms.

Timeliness of benefit payments

- Title 39-A M.R.S.A. Section 205(2) provides the time requirements for indemnity payments.
- When there is not an ongoing dispute, failure to pay weekly compensation benefits or accrued weekly benefits within 30 days after becoming due and payable is a violation of Title 39-A M.R.S.A. Section 205(2) and subject to penalty under Section 205(3).
- Initial Indemnity Payments:
 - Eleven (11) initial indemnity payments were made timely and one (1) claim received “salary continuation” from their respective employers.
 - NLA’s compliance rate for initial indemnity payments (timely payments and “salary continuation” collectively) is 43%, which is below the Board’s performance benchmark of 87%.
 - Sixteen (16) initial indemnity payments were made late.
 - Five (5) late initial indemnity payments were made later than 30 days after they became due and payable, in violation of Section 205(2) and subject to penalty under Section 205(3).
- Subsequent Indemnity Payments:
 - Three hundred twenty-one (321) subsequent indemnity payments were made timely.
 - One hundred seventy-nine (179) subsequent indemnity payments were made late.
 - One (1) late subsequent indemnity payment was made later than 30 days after it became due and payable in violation of Section 205(2) and subject to penalty under Section 205(3).
- Board Rules and Regulations Chapter 5 states in part, “The employer/insurer shall pay the health care provider's charge or the maximum allowable payment under this fee schedule, whichever is less, within 30 days of receipt of a bill unless the bill or previous bills from the same provider or the underlying injury has been controverted or denied. If an employer/insurer controverts whether a health care provider’s bill is reasonable and proper under § 206 of the Act, the employer/insurer shall send a copy of the notice of controversy to the health care provider.”
 - Forty-two (42) medical bills were paid timely.
 - Nine (9) medical bills were paid late.
 - Seven (7) medical payments could not be measured as NLA’s records contained insufficient information.
- Title 39-A M.R.S.A. Section 324(1) provides the requirements for compensation payments per an approved agreement, order or decision. Board Rules and Regulations Chapter 8, Section 18.2 provides the requirements for compensation payments per a Consent Between Employer and Employee (WCB-4A).

- Two (2) Lump Sum Settlements and two (2) mediation agreements were paid timely.

◆ **Accuracy of indemnity payments**

- Title 39-A M.R.S.A. Section 102(4) and Board Rules and Regulations Chapter 1, Section 5 provide the requirements for calculating average weekly wages (AWWs). Title 39-A M.R.S.A. Section 102(1) and Board Rules and Regulations Chapter 8, Section 9 provides the requirements for determining weekly compensation rates (WCRs). Title 39-A M.R.S.A. Sections 212, 213, and 215 provide the requirements for compensation for total incapacity, partial incapacity, and death benefits.
- The accuracy of indemnity payments was reviewed for twenty-eight (28) claims.
- Average Weekly Wage:
 - Four (4) AWWs were correct.
 - Twenty-four (24) AWWs were incorrect.
- Weekly Compensation Rate:
 - Five (5) WCRs were correct.
 - Twenty-three (23) WCRs were incorrect.
- Partial Benefits Calculation Method:
 - The method used to calculate partial benefits was correct for zero (0) claims.
 - The method used to calculate partial benefits was incorrect for two (2) claims.
- Amount Paid:
 - Three (3) claims were compensated correctly.
 - Twenty-one (21) claims were underpaid (\$201,340.03 aggregately).
 - Since May 8, 2024, NLA paid the amounts due.
 - Four (4) claims were overpaid (\$2,197.56 aggregately).
 - Collectively, the aforementioned errors resulted in a net underpayment of \$199,142.47 to injured workers.

◆ **Accuracy of medical payments**

- Title 39-A M.R.S.A. Section 209-A and Board Rules and Regulations Chapter 5 provide the fee setting requirements for medical and ancillary services and products rendered by individual health care practitioners and health care facilities.
- The accuracy of fifty-eight (58) medical payments was reviewed among twenty-eight (28) claims.
- Amount Paid:
 - Thirty-five (35) medical payments sampled were correct.
 - Eighteen (18) medical payments sampled were incorrect.
 - Five (5) medical payments sampled were unknown.

◆ **Other significant issues**

- Box 2b (Was Employee Paid for ½ Day or More on Day of Injury?) must accurately reflect whether the employee was paid for ½ day or more on the day of injury. Board Rules and Regulations Chapter 8, Section 3 states, “When an employee is paid 1/2 day or more wages on the date of injury, the date of injury will not be considered a day of incapacity.”
 - An incorrect date was reported in Box 2b of the FROI that was filed for one (1) claim.
- Box 22 (First Day Of Compensability After Waiting Period Is Met) of the WCB-3, Memorandum of Payment (MOP) must accurately reflect the date of the first compensable day that follows the completion of the 7-day waiting period. See the Board’s Forms and Petitions Manual.
 - Incorrect dates were reported in Box 22 of the MOPs that were filed for eight (8) claims.
- Boxes 23a (Date of Incapacity) and 23b (Date Employer Notified) of the WCB-3, Memorandum of Payment (MOP) must accurately reflect the date of incapacity and date that the employer was notified of the incapacity. Note: the Date of Incapacity reported in Box 23a and the Date Employer Notified in Box 23b must equal the Date of Incapacity (DN56) and Date Employer Notified (DN281) reported in box 43 of the WCB-1, Employer’s First Report of Occupational Injury or Disease (First Report). See the Board’s Forms and Petitions Manual.
 - Incorrect dates were reported in Boxes 23a and/or 23b of the MOPs that were filed for twenty (20) claims.
- Box 24 (Date Check Mailed) of the WCB-3, Memorandum of Payment (MOP) must accurately reflect the date that the initial indemnity payment (for the incapacity addressed by the MOP) is sent to the employee. See the Board’s Forms and Petitions Manual.
 - Incorrect dates were reported in Box 24 of the MOPs that were filed for three (3) claims.
- Additional payments were made since the “Final” WCB-11 Statement of Compensation Paid was filed for nine (9) claims.
- If a NOC has been filed later than 14 days after the employer’s notice or knowledge of a claim for compensation, “...the employee must be paid total benefits, with credit for earnings and other statutory offsets, from the date of incapacity in accordance with 39-A M.R.S.A. Section 205(2) and in compliance with 39-A M.R.S.A. Sec 204. The requirement for payment of benefits under this subsection automatically ceases upon the filing of a Notice of Controversy and the payment of any accrued benefits.” (See Board Rules and Regulations Chapter 1, Section 1.2.) See Law Court decision *Bridgeman v. S.D. Warren Co.* **Please note that issuing an adjustment to correct benefits due through the date of your original “mandatory payment” may not be considered a good-faith attempt to cure the 14-day violation: A Hearing Officer of the Board may later order payment of additional benefits through the date that all accrued benefits are paid. See Board decisions *Washburn v. New Balance Athletic Shoe* (H.O. Greene 11/8/07) and *Pamela Harmon v. Regional Transportation Program* (H.O. Jerome 12/18/09).**
 - Two (2) mandatory payments were not made.

- The Unclaimed Property Act covers situations where the claimant cannot be located. In such cases, the insurer is required to hold the check for the required dormancy period (3 years), fulfill due diligence in attempting to locate the claimant, and keep documentation of those efforts. If the payment remains unclaimed after the required dormancy period (3 years), the insurer is required by Maine law to turn the payment over to the State Treasurer. See http://maine.gov/treasurer/unclaimed_property/.
- Overpayments of benefits paid to an employee in error may only be recovered by requesting a return of the overpayment, in writing, and advising the employee that any such return of benefits is voluntary on their part. Overpayments may not be recovered by unilaterally taking a credit or “holiday” against future benefits.
 - Improper recovery of overpayments was found on two (2) claims.
- Section 213 provides the requirements for specific loss benefits. Specific loss benefits must be paid according to the period specified in schedule provided. Compensation due is calculated on the date of injury subject to the maximum benefit set in section 211.
 - Specific loss benefits were not paid in accordance with Section 213 for two (2) claims.

PENALTIES

◆ Penalties payable to providers and/or injured employees

Title 39-A M.R.S.A. Section 205(3)

“When there is not an ongoing dispute, if weekly compensation benefits or accrued weekly benefits are not paid within thirty (30) days after becoming due and payable, \$50 per day must be added and paid to the worker for each day over thirty (30) days in which the benefits are not paid. Not more than \$1,500 in total may be added pursuant to this subsection. For purposes of ratemaking, daily charges paid under this subsection do not constitute elements of loss.”

Delays of initial indemnity payments, subject to penalty under Section 205(3), were found on the following claims:

CLAIM	PENALTY JUSTIFICATION	PENALTY EXPOSURE
Luke Drouin vs. Angel Wing Erectors LTD Date of Injury: 7/14/22 Date ER Notified of Incapacity: 7/18/22 Claim # UW2200063177 Board # 22019946	No NOC was filed until 35 days after compensation became due and payable (8/04/22). The “mandatory payment” was made based on a Record of Mediation on 5/24/23, which was 293 days after compensation became due and payable (8/04/22).	\$1500
Sebastian Fiorentino vs. 360 Industrial Services LLC Date of Injury: 9/13/21 Date ER Notified of Incapacity: 9/17/21 Claim # UW2100047442 Board # 21020742	No NOC was filed, and the initial indemnity payment was made 6/12/25, which was 1,307 days after compensation became due and payable (11/13/21).	\$1500
Barry Hall vs. 360 Industrial Services LLC Date of Injury: 3/12/21 Date ER Notified of Incapacity: 3/12/21 Claim # UW2100037255 Board # 21006188	No NOC was filed, and the initial indemnity payment was made 6/12/25, which was 1,328 days after compensation became due and payable (10/23/21).	\$1500
Dana Newell vs. American Guard Services Inc Date of Injury: 3/31/23 Date ER Notified of Incapacity: 3/31/23 Claim # UW2300073215 Board # 23007314	No NOC was filed until 7 days after compensation became due and payable (4/14/23). The “mandatory payment” was made based on a Record of Mediation on 9/27/23, which was 166 days after compensation became due and payable (4/14/23).	\$1500*
Travis White vs. 360 Industrial Services LLC Date of Injury: 6/16/21 Date ER Notified of Incapacity: 7/13/21 Claim # UW2100045833 Board # 21018387	No NOC was filed, and the initial indemnity payment was made 11/02/21, which was 98 days after compensation became due and payable (7/27/21).	\$1500*
Total Penalties to Injured Employees for Delays of Initial Indemnity Payments		\$7500

Delay of a subsequent indemnity payment, subject to penalty under Section 205(3), was found on the following claim:

CLAIM	PENALTY JUSTIFICATION	PENALTY EXPOSURE
Jeremy McBreairty vs. Angel Wing Erectors LTD Date of Injury: 5/12/22 Date ER Notified of Incapacity: 5/13/22 Claim # UW2200059983 Board # 22012477	A subsequent indemnity payment was made 3/15/23, which was 82 days after the previous indemnity payment (12/23/22).	\$1500
Total Penalties to Injured Employees for Delays of Subsequent Indemnity Payments		\$1500

Delays of “other” indemnity payments, subject to penalty under Section 205(3), were found on the following claims:

CLAIM	PENALTY JUSTIFICATION	PENALTY EXPOSURE
Ronald Allaire vs. Pirate Staffing Date of Injury: 1/17/23 Date ER Notified of Incapacity: 1/18/23 Claim # UW2300070732 Board # 23001022	The claimant’s benefits were improperly discontinued on 1/30/23. Payment of accrued benefits was made 12/02/24, which was 658 days after compensation became due and payable (2/13/23).	\$1500
Takela Augustus vs. Rock Medical Group LLC Date of Injury: 9/03/23 Date ER Notified of Incapacity: 9/05/23 Claim # UW2300077007 Board # 23017882	The claimant’s benefits were improperly discontinued on 10/23/23. Payment of accrued benefits was made 6/11/25, which was 583 days after compensation became due and payable (11/06/23).	\$1500
Heather Cochran vs. 360 Industrial Services LLC Date of Injury: 7/19/21 Date ER Notified of Incapacity: 7/20/21 Claim # UW2100044207 Board # 21015892	The claimant’s benefits were improperly discontinued on 9/07/21. Payment of accrued benefits was made on 6/12/25, which was 1,360 days after compensation became due and payable (9/21/21).	\$1500
Donald Dean vs. Strange Trip Inc Date of Injury: 8/25/22 Date ER Notified of Incapacity: 8/26/22 Claim # UW2200064972 Board # 22019274	The claimant’s benefits were improperly discontinued on 5/19/23. Payment of accrued benefits was made 6/13/25, which was 742 days after compensation became due and payable (6/02/23).	\$1500
Sebastian Fiorentino vs. 360 Industrial Services LLC Date of Injury: 9/13/21 Date ER Notified of Incapacity: 9/17/21 Claim # UW2100047442 Board # 21020742	The claimant’s benefits were improperly discontinued on 11/15/21. Payment of accrued benefits was made 6/12/25, which was 1,291 days after compensation became due and payable (11/29/21).	\$1500

CLAIM	PENALTY JUSTIFICATION	PENALTY EXPOSURE
Barry Hall vs. 360 Industrial Services LLC Date of Injury: 3/12/21 Date ER Notified of Incapacity: 3/12/21 Claim # UW2100037255 Board # 21006188	The claimant was totally incapacitated from 3/12/21 through 2/10/22. Payment for that incapacity was made 6/12/25, which was 1,204 days after compensation became due and payable (2/24/22).	\$1500
Carlos Hernandez vs. Solutions 4Labor LLC Date of Injury: 5/02/23 Date ER Notified of Incapacity: 5/02/23 Claim # UW2300073879 Board # 23008630	The claimant was entitled to specific loss benefits beginning 5/02/23, with 19 weeks of benefits owed. Payment for 8 of those weeks was made 12/02/24, which was 485 days after compensation became due and payable (8/05/23).	\$1500
Brett Hogencamp vs. American Guard Services Inc Date of Injury: 10/01/23 Date ER Notified of Incapacity: 10/02/23 Claim # UW2300077769 Board # 23020140	The claimant's benefits were improperly discontinued on 1/04/24. Payment of accrued benefits was made 12/02/24, which was 319 days after compensation became due and payable (1/18/24).	\$1500
Brandon Lavoie vs. Land Air Date of Injury: 2/05/21 Date ER Notified of Incapacity: 2/05/21 Claim # UW2100035555 Board # 21003506	Payment for part of the 7-day waiting period was made 3/26/25, which was 1,495 days after compensation became due and payable (2/20/21).	\$1500
Joao Malanda vs. Fleetlogix Inc Date of Injury: 9/03/21 Date ER Notified of Incapacity: 9/04/21 Claim # UW2100046861 Board # 21019840	The claimant's benefits were improperly discontinued on 1/19/21. Payment of accrued benefits has not yet been made as it was not requested by audit.	\$1500**
Andrew Nutter vs. Duvaltex US Inc Date of Injury: 11/11/22 Date ER Notified of Incapacity: 11/12/22 Claim # UW2200068785 Board # 22026182	The claimant's benefits were improperly discontinued on 11/21/22. Payment of accrued benefits was made 12/04/24, which was 730 days after compensation became due and payable (12/05/22).	\$1500
Lindsay Perry vs. Pirate Staffing Date of Injury: 7/28/23 Date ER Notified of Incapacity: 8/01/23 Claim # UW2300076105 Board # 23015926	The claimant was entitled to specific loss benefits beginning 12/01/23, with 32.5 weeks of benefits owed. Payment of 13.5 weeks was made 3/26/25, which was 335 days after compensation became due and payable (4/25/24).	\$1500
Randall Pullyard vs. Duvaltex US Inc Date of Injury: 10/16/21 Date ER Notified of Incapacity: 12/06/21 Claim # UW2100049659 Board # 21026867	The claimant's benefits were improperly discontinued on 1/11/22. Payment of accrued benefits was made 1/17/25, which was 1,078 days after compensation became due and payable (1/25/22).	\$1500

CLAIM	PENALTY JUSTIFICATION	PENALTY EXPOSURE
Schuyler Sites vs. Millwrights4Hire LLC Date of Injury: 9/08/21 Date ER Notified of Incapacity: 9/17/21 Claim # UW2100047719 Board # 21021419	Benefits were not increased to the Maximum Benefit Level effective 7/01/23.	\$1500**
Travis White vs. 360 Industrial Services LLC Date of Injury: 6/16/21 Date ER Notified of Incapacity: 7/13/21 Claim # UW2100045833 Board # 21018387	Payment for the 7-day waiting period was made 1/17/25, which was 1,270 days after compensation became due and payable (7/27/21).	\$1500
Sean Wilder vs. Complete Labor & Staffing LLC Date of Injury: 11/06/23 Date ER Notified of Incapacity: 11/07/23 Claim # UW2300079236 Board # 23024842	Payment for the 7-day waiting period was made 6/12/25, which was 569 days after compensation became due and payable (11/21/23).	\$1500
Anthony Wills vs. 360 Industrial Services LLC Date of Injury: 8/16/21 Date ER Notified of Incapacity: 8/17/21 Claim # UW2100047160 Board # 21020144	The claimant was totally incapacitated from 8/17/21 through 11/24/21. Payment for that incapacity was made 6/12/25, which was 1282 days after compensation became due and payable (12/8/21).	\$1500
Total Penalties to Injured Employees for Delays of "Other" Indemnity Payments		\$25,500

* Paid.

** This claim has been settled by Lump Sum and the Audit Division is not pursuing penalties (on behalf of the corresponding employee) arising from the violation cited.

◆ Penalties payable to the State General Fund

Title 39-A M.R.S.A. Section 359(2)

“In addition to any other penalty assessment permitted under this Act, the Board may assess civil penalties not to exceed \$25,000 upon finding, after hearing, that an employer, insurer or 3rd-party administrator for an employer has engaged in a pattern of questionable claims-handling techniques or repeated unreasonably contested claims. The Board shall certify its findings to the Superintendent of Insurance, who shall take appropriate action so as to bring any such practices to a halt. This certification by the Board is exempt from the provisions of the Maine Administrative Procedure Act. The amount of any penalty assessed pursuant to this subsection must be directly related to the severity of the pattern of questionable claims-handling techniques or repeated unreasonably contested claims. All penalties collected pursuant to this subsection shall inure to the benefit of the General Fund. An insurance carrier’s payment of any penalty assessed under this section may not be considered an element of loss for the purpose of establishing rates for workers' compensation insurance.”

- No action will be taken at this time.
- To avoid future penalty referrals under Section 359(2) and/or 360(2), NLA must take corrective measures to address the following inadequacies:
 - Failure to file or timely file forms with the Board
 - Failure to pay or timely pay benefits
 - Failure to pay benefits accurately
- **Penalty exposure: \$25,000.00**

Title 39-A M.R.S.A. Section 360(1)(A)

“The Board may assess a civil penalty not to exceed \$100 for each violation on any person: Who fails to file or complete any report or form required by this Act or rules adopted under this Act.”

Violations subject to penalty under Section 360(1)(A) were found on the following claims:

Employee	Date of Injury	Forms Not Filed	Penalty Exposure
	7/19/21	WCB-4M, Modification of Compensation	\$100.00
		WCB-8, Certificate of Discontinuance	\$100.00
	8/25/22	WCB-8, Certificate of Discontinuance	\$100.00
	5/12/22	WCB-4M, Modification of Compensation (2)	\$200.00
	7/28/23	WCB-4M, Modification of Compensation	\$100.00
TOTAL			\$600.00

* This claim has been settled by Lump Sum and the Audit Division is not pursuing penalties (on behalf of the corresponding employee) arising from the violation cited.

Title 39-A M.R.S.A. Section 360(1)(B)

“The Board may assess a civil penalty not to exceed \$100 for each violation on any person: Who fails to file or complete such a report or form within the time limits specified in this Act or rules adopted under this Act.”

Violations subject to penalty under Section 360(1)(B) were found on the following claims:

Employee	Date of Injury	Forms Filed Late	Penalty Exposure
	1/17/23	WCB-1, Employer's First Report of Occupational Injury or Disease	\$100.00***
		WCB-2, Wage Statement	\$100.00
		WCB-2B, Fringe Benefits Worksheet	\$100.00
		WCB-3, Memorandum of Payment	\$100.00
		WCB-4D, Discontinuance of Compensation	\$100.00
		WCB-4M, Modification of Compensation	\$100.00
	9/03/23	WCB-1, Employer's First Report of Occupational Injury or Disease	\$100.00*
		WCB-2B, Fringe Benefits Worksheet	\$100.00
		WCB-3, Memorandum of Payment	\$100.00
		WCB-8, Certificate of Discontinuance	\$100.00
	7/18/22	WCB-1, Employer's First Report of Occupational Injury or Disease	\$100.00*
		WCB-3, Memorandum of Payment	\$100.00
		WCB-11, Statement of Compensation Paid (2)	\$200.00

Employee	Date of Injury	Forms Filed Late	Penalty Exposure
	8/08/23	WCB-1, Employer's First Report of Occupational Injury or Disease	\$100.00*
		WCB-2, Wage Statement	\$100.00
		WCB-2B, Fringe Benefits Worksheet	\$100.00
		WCB-3, Memorandum of Payment	\$100.00
		WCB-4D, Discontinuance of Compensation	\$100.00
		WCB-11, Statement of Compensation Paid	\$100.00
	12/16/21	WCB-1, Employer's First Report of Occupational Injury or Disease	\$100.00*
		WCB-2, Wage Statement	\$100.00
		WCB-2B, Fringe Benefits Worksheet	\$100.00
		WCB-3, Memorandum of Payment	\$100.00
		WCB-11, Statement of Compensation Paid (3)	\$300.00
	8/02/23	WCB-2, Wage Statement	\$100.00
		WCB-2B, Fringe Benefits Worksheet	\$100.00
		WCB-3, Memorandum of Payment	\$100.00
		WCB-9, Notice of Controversy	\$100.00
		WCB-11, Statement of Compensation Paid (2)	\$200.00
	8/18/22	WCB-1, Employer's First Report of Occupational Injury or Disease	\$100.00
		WCB-2, Wage Statement	\$100.00
		WCB-2B, Fringe Benefits Worksheet	\$100.00
		WCB-3, Memorandum of Payment	\$100.00
		WCB-9, Notice of Controversy	\$100.00
		WCB-11, Statement of Compensation Paid	\$100.00
	7/19/21	WCB-1, Employer's First Report of Occupational Injury or Disease	\$100.00
		WCB-2, Wage Statement	\$100.00
		WCB-2B, Fringe Benefits Worksheet	\$100.00
		WCB-3, Memorandum of Payment	\$100.00
		WCB-9, Notice of Controversy	\$100.00
	8/25/22	WCB-3, Memorandum of Payment	\$100.00
	7/14/22	WCB-1, Employer's First Report of Occupational Injury or Disease	\$100.00*
		WCB-2, Wage Statement	\$100.00
		WCB-2B, Fringe Benefits Worksheet	\$100.00
		WCB-3, Memorandum of Payment	\$100.00
		WCB-4D, Discontinuance of Compensation	\$100.00
		WCB-9, Notice of Controversy	\$100.00
	9/13/21	WCB-2, Wage Statement	\$100.00
		WCB-2B, Fringe Benefits Worksheet	\$100.00
		WCB-3, Memorandum of Payment	\$100.00
		WCB-4D, Discontinuance of Compensation	\$100.00

Employee	Date of Injury	Forms Filed Late	Penalty Exposure
	3/12/21	WCB-1, Employer's First Report of Occupational Injury or Disease	\$100.00*
		WCB-3, Memorandum of Payment	\$100.00
		WCB-11, Statement of Compensation Paid	\$100.00
	5/02/23	WCB-2, Wage Statement	\$100.00
		WCB-2B, Fringe Benefits Worksheet	\$100.00
		WCB-3, Memorandum of Payment	\$100.00
		WCB-4D, Discontinuance of Compensation	\$100.00
	10/01/23	WCB-2, Wage Statement	\$100.00
		WCB-2B, Fringe Benefits Worksheet	\$100.00
		WCB-3, Memorandum of Payment	\$100.00
		WCB-4D, Discontinuance of Compensation	\$100.00
	8/01/22	WCB-1, Employer's First Report of Occupational Injury or Disease	\$100.00*
		WCB-2, Wage Statement	\$100.00****
		WCB-3, Memorandum of Payment	\$100.00****
		WCB-11, Statement of Compensation Paid	\$100.00****
	2/05/21	WCB-1, Employer's First Report of Occupational Injury or Disease	\$100.00*
		WCB-3, Memorandum of Payment	\$100.00
		WCB-4D, Discontinuance of Compensation	\$100.00
	9/03/21	WCB-1, Employer's First Report of Occupational Injury or Disease	\$100.00****
		WCB-3, Memorandum of Payment	\$100.00****
		WCB-4M, Modification of Compensation	\$100.00****
		WCB-11, Statement of Compensation Paid (2)	\$200.00****
	5/12/22	WCB-1, Employer's First Report of Occupational Injury or Disease	\$100.00
		WCB-3, Memorandum of Payment	\$100.00
		WCB-4M, Modification of Compensation	\$100.00
		WCB-11, Statement of Compensation Paid	\$100.00
	12/13/23	WCB-2, Wage Statement	\$100.00
		WCB-2B, Fringe Benefits Worksheet	\$100.00
		WCB-3, Memorandum of Payment	\$100.00
	3/31/23	WCB-1, Employer's First Report of Occupational Injury or Disease	\$100.00*
		WCB-2, Wage Statement	\$100.00
		WCB-2B, Fringe Benefits Worksheet	\$100.00
		WCB-3, Memorandum of Payment	\$100.00
		WCB-4D, Discontinuance of Compensation	\$100.00
		WCB-9, Notice of Controversy	\$100.00
		WCB-11, Statement of Compensation Paid	\$100.00

Employee	Date of Injury	Forms Filed Late	Penalty Exposure
	11/11/22	WCB-1, Employer's First Report of Occupational Injury or Disease	\$100.00
		WCB-2, Wage Statement	\$100.00
		WCB-2B, Fringe Benefits Worksheet	\$100.00
		WCB-3, Memorandum of Payment	\$100.00
		WCB-4D, Discontinuance of Compensation	\$100.00
		WCB-4M, Modification of Compensation	\$100.00
	9/25/23	WCB-2, Wage Statement	\$100.00
		WCB-2B, Fringe Benefits Worksheet	\$100.00
		WCB-3, Memorandum of Payment	\$100.00
		WCB-4D, Discontinuance of Compensation	\$100.00
		WCB-4M, Modification of Compensation	\$100.00
	7/28/23	WCB-2, Wage Statement	\$100.00
		WCB-3, Memorandum of Payment	\$100.00
		WCB-4M, Modification of Compensation	\$100.00
		WCB-11, Statement of Compensation Paid	\$100.00
	10/16/21	WCB-3, Memorandum of Payment	\$100.00
		WCB-4M, Modification of Compensation	\$100.00
	9/08/21	WCB-1, Employer's First Report of Occupational Injury or Disease	\$100.00****
		WCB-2B, Fringe Benefits Worksheet	\$100.00****
		WCB-3, Memorandum of Payment	\$100.00****
		WCB-4D, Discontinuance of Compensation	\$100.00****
		WCB-4M, Modification of Compensation	\$100.00****
		WCB-11, Statement of Compensation Paid (2)	\$200.00****
	6/16/21	WCB-1, Employer's First Report of Occupational Injury or Disease	\$100.00**
		WCB-2, Wage Statement	\$100.00
		WCB-2B, Fringe Benefits Worksheet	\$100.00
		WCB-3, Memorandum of Payment	\$100.00
		WCB-4D, Discontinuance of Compensation	\$100.00
	11/6/23	WCB-2, Wage Statement	\$100.00
		WCB-2B, Fringe Benefits Worksheet	\$100.00
		WCB-3, Memorandum of Payment	\$100.00
		WCB-9, Notice of Controversy	\$100.00
		WCB-11, Statement of Compensation Paid	\$100.00
	8/16/21	WCB-1, Employer's First Report of Occupational Injury or Disease	\$100.00
		WCB-2, Wage Statement	\$100.00
		WCB-2B, Fringe Benefits Worksheet	\$100.00
		WCB-3, Memorandum of Payment	\$100.00
		WCB-4D, Discontinuance of Compensation	\$100.00
TOTAL			\$13,100.00

* Paid AIU.

** Pending AIU.

*** Dismissed AIU.

**** This claim has been settled by Lump Sum and the Audit Division is not pursuing penalties (on behalf of the corresponding employee) arising from the violation cited.

Title 39-A M.R.S.A. Section 360(2)

“The Board may assess, after hearing, a civil penalty in an amount not to exceed \$1,000 for an individual and \$10,000 for a corporation, partnership or other legal entity for any willful violation of this Act, fraud or intentional misrepresentation. The Board may also require that person to repay any compensation received through a violation of this Act, fraud or intentional misrepresentation or to pay any compensation withheld through a violation of this Act, fraud or misrepresentation, with interest at the rate of 10% per year.”

- No action will be taken at this time.
- To avoid future penalty referrals under Section 359(2) and/or 360(2), NLA must take corrective measures to address the following inadequacies:
 - Failure to file or timely file forms with the Board
 - Failure to pay or timely pay benefits
 - Failure to pay benefits accurately
 - Documented failure to cooperate with auditor(s) performing the audit
 - Documented failure to respond fully to the Findings Summary document’s request for information
- **Penalty exposure: \$10,000.00**

COMPLIANCE TABLES

◆ Form Filing

A. First Report of Occupational Injury or Disease (WCB-1)

		2021-2023	
		Number	Percent
Received at the Board:			
Filed	Compliant	10	36%
Late		18	64%
Total		28	100%

B. Wage Statement (WCB-2)

		2021-2023	
		Number	Percent
Received at the Board:			
Filed	Compliant	9	32%
Late		11	39%
Not Filed		8	29%
Total		28	100%

C. Fringe Benefits Worksheet (WCB-2B)

		2021-2023	
		Number	Percent
Received at the Board:			
Filed	Compliant	9	32%
Late		8	29%
Not Filed		11	39%
Total		28	100%

D. Memorandum of Payment (WCB-3 or WCB-4A)

		2021-2023	
		Number	Percent
Received at the Board:			
Filed	Compliant	0	0%
Late		25	89%
Not Filed		3	11%
Total		28	100%

E. Discontinuance of Compensation (WCB-4D or WCB-4A)

2021-2023			
		Number	Percent
Received at the Board:			
Filed	Compliant	7	35%
Late		10	50%
Not Filed		3	15%
Total		20	100%

F. Modification of Compensation (WCB-4M)

2021-2023			
		Number	Percent
Received at the Board:			
Filed	Compliant	1	8%
Late		4	31%
Not Filed		8	61%
Total		13	100%

G. Certificate of Discontinuance or Reduction of Compensation (WCB-8 or WCB-4A)

2021-2023			
		Number	Percent
Received at the Board:			
Filed	Compliant	5	63%
Not Filed		3	37%
Total		8	100%

H. Notice of Controversy (WCB-9)

2021-2023			
		Number	Percent
Received at the Board:			
Filed	Compliant	0	0%
Late		6	100%
Total		6	100%

I. Statement of Compensation Paid (WCB-11)

		2021-2023	
		Number	Percent
Received at the Board:			
Filed	Compliant	23	55%
Late		10	24%
Not Filed		9	21%
Total		42	100%

◆ **Timeliness of Benefit Payments**

J. Initial Payment of Indemnity Benefits

			2021-2023	
			Number	Percent
Check Issued Within:				
0-14	Days	Compliant	12	43%
15-44	Days		11	39%
45+	Days		5	18%
Total			28	100%

K. Subsequent Payment of Indemnity Benefits

			2021-2023	
			Number	Percent
Check Issued Within:				
0-7	Days	Compliant	321	64%
8-37	Days		178	35%
38+	Days		1	1%
Total			500	100%

L. Medical Payments

			2021-2023	
			Number	Percent
Check Issued Within:				
0-30	Days	Compliant	42	72%
31+	Days		9	16%
Unknown	Days		7	12%
Total			58	100%

M. Payment of Approved Agreements, Orders, Decisions

			2021-2023	
			Number	Percent
Check Issued Within:				
0-10	Days	Compliant	4	100%
Total			4	100%

◆ **Accuracy of Indemnity Payments**

N. Average Weekly Wage

		2021-2023	
		Number	Percent
Calculated:			
Correct	Compliant	4	14%
Incorrect		24	86%
Total		28	100%

O. Weekly Compensation Rate

		2021-2023	
		Number	Percent
Calculated:			
Correct	Compliant	5	18%
Incorrect		23	82%
Total		28	100%

P. Partial Benefits

		2021-2023	
		Number	Percent
Calculated:			
Correct	Compliant	0	0
Incorrect		2	100%
Total			100%

Q. Amount Paid

		2021-2023	
		Number	Percent
Calculated:			
Correct	Compliant	3	11%
Underpaid		21	75%
Overpaid		4	14%
Total		28	100%

◆ **Accuracy of Medical Payments**

R. Amount Paid

		2021-2023	
		Number	Percent
Calculated:			
Correct	Compliant	35	60%
Incorrect		18	31%
Unknown		5	9%
Total		58	100%