

MINNESOTA DEPARTMENT OF LABOR AND INDUSTRY  
WORKERS' COMPENSATION DIVISION

443 Lafayette Road North  
St. Paul, Minnesota 55155



Employee: Maria Morales  
Social Security Number: 631-09-2086  
Date of Injury: 1/5/2008  
Insurer's Claim Number: 1000024857

NOTICE OF PENALTY ASSESSMENT  
NUMBER A 040867

COPY

DEPARTMENT OF LABOR AND INDUSTRY,  
Workers' Compensation Division,

vs.

Corporate Management Group Inc,  
and  
MN ARP / Berkley Risk Admin Co,

Employer,

Insurer.

SERVED AND FILED

May 20, 2008

DEPT OF LABOR & INDUSTRY  
WORKERS' COMPENSATION DIV

When workers' compensation benefits are not commenced as required by Minnesota Statutes § 176.221 and 176.225, the Workers' Compensation Act provides for payment of additional amounts as penalty.

NOTICE IS HEREBY GIVEN that the Workers' Compensation Division has determined that the delay in making payment has occurred in this case and the Division is assessing penalties.

The penalty to be paid by the **Insurer** to the Commissioner for deposit in the Assigned Risk Safety Account pursuant to Minnesota Statutes § 176.221, subd. 3 is \$ **336.00**. The payment to the Assigned Risk Safety Account is to be directed to: Assigned Risk Safety Account, Financial Services, 443 Lafayette Road North, St. Paul, Minnesota 55155-4310. Please attach a copy of this penalty assessment to your check.

In addition, a penalty of \$ **146.67** (25% of the payments found to be delayed) for inexcusable delay is assessed pursuant to Minnesota Statutes § 176.225, subd. 5. This penalty is being assessed against the **Insurer** as provided by Minnesota Statutes § 176.221, subd. 6. **PAYMENT SHALL BE MADE BY THE INSURER DIRECTLY TO THE EMPLOYEE.**

Incorporated herein is the attached worksheet setting forth the factual basis for the determination and computation of the penalty.

If a party wishes to contest the penalty, they must request a hearing before a Workers' Compensation Judge. To request a hearing, the attached Objection to Penalty Assessment form must be completed, served on all parties as provided by Minnesota Rules Part 5220.2870, and filed with the Division within thirty (30) days of service of this notice.

If no objection is filed within the 30 days, this penalty becomes a final order of the Commissioner. The Department of Labor and Industry may file and enforce this penalty as a judgment without further notice or additional proceedings pursuant to M. S. 16D.17. If no objection is filed and the sum assessed herein is not paid when due, it shall bear interest as provided in M. S. 176.221 and/or 176.225.

WORKERS' COMPENSATION DIVISION

Steven Masters  
Compliance Officer

Dated: May 20, 2008

MINNESOTA DEPARTMENT OF LABOR AND INDUSTRY  
Workers' Compensation Division  
443 Lafayette Road North  
St. Paul, Minnesota 55155

DELAYED PAYMENT WORKSHEET

PENALTY NUMBER A 040867

Employee: Maria Morales

Social Security Number: 631-09-2086

Date of Injury: 1/5/2008

Insurer's Claim Number: 1000024857

Employer: Corporate Management Group Inc

Insurer / Adjusting Company: MN ARP / Berkley Risk Admin Co

First date of disability: 1/7/2008 Date of notice to employer of disability: 1/7/2008

Time period of late payment.

Date due: [1/8/2008 thru 1/21/2008] = 14 days 1/22/2008

Date paid: 2/5/2008

Days late: 1/23/2008 thru 2/5/2008 = 14 days late

Amount of lost time to date of payment: 4.20 weeks x \$ 266.67 = \$1,120.01

14 days late =\* 30% x \$1,120.01 = \$ 336.00 or\* \$ 500.00 whichever is less

Penalty per M.S. § 176.221, subd. 3 to be paid to the Commissioner for deposit in the Assigned Risk Safety Account \$ 336.00

Amount of benefits found to be delayed:

Date paid 2/5/2008 - 14 days = 1/21/2008  
1/7/2008 thru 1/21/2008 = 2.20 weeks x \$ 266.67 = \$ 586.67

Penalty per M.S. § 176.225, subd. 5 to be paid to the Employee.  
(25% of the amount of compensation found to be delayed) \$ 146.67

Compliance Officer Steven Masters (651) 284-5267

Number of Days Late

01 - 15

16 - 30

31 - 60

61 or more

Penalty Pursuant to M.S. § 176.221, subd. 3

30% of amount due -not to exceed \$ 500.00

55% of amount due -not to exceed \$ 1,500.00

80% of amount due -not to exceed \$ 3,500.00

105% of amount due -not to exceed \$ 5,000.00

## NOTICE TO EMPLOYEES AND EMPLOYERS

Workers' Compensation benefits must be paid or denied within 14 days from the later of two dates: 1) the first day of lost time or, 2) the date the Employer knew of the first day of lost time. This penalty was issued because the first payment was made late.

### EMPLOYEES: YOU DO NOT PAY THIS PENALTY

There is a 30 day period in which the Employer or Insurer may object to the penalty. You will be notified if there is an objection. If there is no objection and you do not receive a check from the Insurer within a reasonable time after the 30 day period has ended, contact the Insurer to find the status of the penalty payment. If you do not receive a satisfactory response, you should call Workers' Compensation Compliance at (651) 284-5081. You may also call 1-800-342-5354 and ask for Workers' Compensation Compliance.

### EMPLOYERS: YOU ARE NOT REQUIRED TO MAKE ANY PAYMENT AT THIS TIME

These penalties have been assessed against your Insurer. If you were at fault for the late payment, you may ultimately bear responsibility for these penalties. Minnesota Statutes Section 176.221, subd. 6, says "An Insurer who has paid a penalty under this section may recover from the employer the portion of the penalty attributable to the acts of the employer which resulted in the delay." The Insurer may treat the penalty as a loss in your experience rating plan, retrospective rating plan, or adjust dividend calculations, where appropriate. Additionally, the Insurer may send you a bill to reimburse them for the penalty amount paid. Thus, you may have an interest separate and distinct from that of the Insurer for which legal counsel may be desired.

If the Insurer files an Objection to Penalty Assessment, the Workers' Compensation Judge cannot determine whether you must reimburse the Insurer for this penalty, however, the Judge may determine whether a penalty must be paid by the Insurer and if so, how much should be paid. The Objection to Penalty Assessment can be filed only when there is a dispute as to the validity and/or amount of the penalty. It cannot be filed to dispute the apportionment of the penalty between the Insurer and Employer.

Previously you may have received a warning letter or a penalty for the late filing of a First Report of Injury on this claim. That matter was a separate issue and does not preclude assessment of this penalty.

If you have questions about this penalty, please feel free to call Workers' Compensation Compliance at (651) 284-5081. You may also call 1-800-342-5354 and ask for Workers' Compensation Compliance.



BlueCross BlueShield
BluePlus
of Minnesota

P.O. Box 64338 • St. Paul, MN 55164-0338



841283402

DELIVER TO: 4-97

May 10, 2008

MARIA MORALES DE COR
811 OMAHA AVE
WORTHINGTON MN 56187

SECOND REQUEST



PATIENT: MARIA MORALES DE COR
CONTRACT NO: 802711935
ROUTE: 4410

TREATMENT OF: SHOULDER

Why has this letter been sent?

We have paid claims for the above named treatment. We need your help to determine if this injury was an injury at work, an injury involving a car or an injury which was caused by a 3rd party or organization.

Why is this important?

By making sure the correct party pays for medical care, we can continue to hold down medical care costs for you. Your health plan with us does not cover medical services for conditions that are the responsibility of your workers' compensation carrier or your automobile insurance carrier. Also, if you receive medical care for a condition caused by another party, your health plan can recover any payments made for such care from the person or organization responsible for your condition. (In the contract, this is called subrogation.)

What do we do with the information?

If the information you provide indicates the treatment is the responsibility of another party, we will provide claims and benefit information to the parties involved in order to pursue reimbursement and subrogation.

What do you need to do?

Please answer the questions below. Sign, date and return within 14 days of the date on this letter. (It is important to return this letter to prevent follow-up letters.) Thank you for your time and effort.

Please answer these questions first!

If yes, please complete appropriate section on back.

- 1. Yes No Did the treatment result from an illness/injury at work? Section A
2. Yes No Did the treatment result from an illness/injury involving a car? Section B
3. Yes No Did the treatment result from an illness/injury caused by another party? Section C

If you answered "No" to all of these questions, please sign and date below, then return this letter to us in the postage-paid envelope.

I authorize Blue Cross/its affiliate to release benefits and claims information to all parties related to the treatment in question (i.e. insurance carriers and their legal representatives). I acknowledge that this authorization is valid for one year after the date it is signed, unless an earlier expiration date is indicated here: \_\_\_/\_\_\_/\_\_\_

Your Signature \_\_\_\_\_ Date \_\_\_\_\_

841283402

Your Telephone Number \_\_\_\_\_

MAKE CHECKS PAYABLE TO:

PRAIRIE REHABILITATION SERVICES  
1720 SOUTH CLIFF AVE  
SIOUX FALLS, SD 57105-2129

IF PAYING BY CREDIT CARD FILL OUT BELOW. CIRCLE CARD USED.

MASTER CARD		VISA	
CARD NUMBER			AMOUNT
SIGNATURE		EXP. DATE	
AMOUNT DUE NOW	STATEMENT DATE	ACCOUNT NUMBER	AMOUNT ENCLOSED
1,562.70	05/15/2008	111076	\$

MAIL PAYMENT TO:

PRAIRIE REHABILITATION SERVICES  
1720 SOUTH CLIFF AVE  
SIOUX FALLS, SD 57105-2129

MARIA MORALES DE CORN  
811 OMAHA AVENUE  
WORTHINGTON, MN 56187

PLEASE DETACH AND RETURN TOP PORTION OF THIS STATEMENT WITH YOUR PAYMENT. RETAIN BOTTOM PORTION FOR YOUR RECORDS

PRAIRIE REHABILITATION SERVICES  
605/339-0729 Fax:605/335-2746

PA/PK/CC/IN=Cash/Check/Cr Card/Ins paid; CR/DE=Credit/Debit; IA=Ins adj

Date	Ref#	Provider	Description	Transaction Amount	Patient Portion	Insurance Portion
04/08/2008	280101-001	L. GLASOE	IA M WO MA	-43.76		-43.76
05/06/2008	179901	L. GLASOE	IN M BLUE PLUS RECOVER	179.28		179.28
05/06/2008	179901	L. GLASOE	IA M WO MA	127.72		127.72
05/06/2008	179902	L. GLASOE	IN M BLUE PLUS RECOVER	136.02		136.02
05/06/2008	179902	L. GLASOE	IA M WO MA	102.98		102.98
05/06/2008	179903	L. GLASOE	IN M BLUE PLUS RECOVER	40.24		40.24
05/06/2008	179903	L. GLASOE	IA M WO MA	37.76		37.76
05/06/2008	180177	L. GLASOE	IN M BLUE PLUS RECOVER	79.96		79.96
05/06/2008	180177	L. GLASOE	IA M WO MA	54.04		54.04
05/06/2008	180176	L. GLASOE	IN M BLUE PLUS RECOVER	132.28		132.28
05/06/2008	180176	L. GLASOE	IA M WO MA	104.72		104.72
05/06/2008	180176	L. GLASOE	IN M BLUE PLUS RECOVER	116.64		116.64
05/06/2008	180558	L. GLASOE	IA M WO MA	93.36		93.36
05/06/2008	180558	L. GLASOE	IN M BLUE PLUS RECOVER	81.44		81.44
05/06/2008	180559	L. GLASOE	IA M WO MA	64.56		64.56
05/06/2008	180559	L. GLASOE	IN M BLUE PLUS RECOVER	97.60		97.60
05/06/2008	180741	L. GLASOE	IA M WO MA	101.40		101.40
05/06/2008	180741	L. GLASOE	IN M BLUE PLUS RECOVER	12.70		12.70
05/06/2008	180992	L. GLASOE	PREVIOUS BALANCE	911.00	1562.70	-651.70

Any questions please call 605-339-0729 or toll free 888-372-2629  
1.5% SERVICE CHARGE AFTER 30 DAYS

Your Insurance Company has not paid this claim because:

- Deductible Taken
- Non-covered Service
- Insurance Cancelled
- Requested Information Not Received

Please remit prompt payment.

Account Balance

Account Number	Statement	Amount Due Now	Expected Insurance
111076	05/15/2008	1562.70	1562.70

*Balance due please*

Make Checks Payable To: PRAIRIE REHABILITATION SERVICES

MAKE CHECKS PAYABLE TO:

PRAIRIE REHABILITATION SERVICES  
1720 SOUTH CLIFF AVE  
SIOUX FALLS, SD 57105-2129

IF PAYING BY CREDIT CARD FILL OUT BELOW. CIRCLE CARD USED.

MASTER CARD		VISA	
CARD NUMBER	AMOUNT		
SIGNATURE			EXP. DATE
AMOUNT DUE NOW	STATEMENT DATE	ACCOUNT NUMBER	AMOUNT ENCLOSED
1,562.70	05/15/2008	111076	\$

MAIL PAYMENT TO:

PRAIRIE REHABILITATION SERVICES  
1720 SOUTH CLIFF AVE  
SIOUX FALLS, SD 57105-2129

MARIA MORALES DE CORN  
811 OMAHA AVENUE  
WORTHINGTON, MN 56187

PLEASE DETACH AND RETURN TOP PORTION OF THIS STATEMENT WITH YOUR PAYMENT. RETAIN BOTTOM PORTION FOR YOUR RECORDS

PRAIRIE REHABILITATION SERVICES  
605/339-0729 Fax:605/335-2746

PA/PK/CC/IN=Cash/Check/Cr Card/Ins paid; CR/DE=Credit/Debit; IA=Ins adj

Date	Ref#	Provider	Description	Transaction Amount	Patient Portion	Insurance Portion
04/01/2008	278867-001	L. GLASOE	IN M BLUE PLUS	-46.24		-46.24
04/01/2008	278867-001	L. GLASOE	IA M WO MA	-35.76		-35.76
04/01/2008	278867-002	L. GLASOE	IN M BLUE PLUS	-17.12		-17.12
04/01/2008	278867-002	L. GLASOE	IA M WO MA	-21.88		-21.88
04/01/2008	279057-001	L. GLASOE	IN M BLUE PLUS	-34.24		-34.24
04/01/2008	279057-001	L. GLASOE	IA M WO MA	-43.76		-43.76
04/08/2008	279372-001	L. GLASOE	IN M BLUE PLUS	-69.36		-69.36
04/08/2008	279372-001	L. GLASOE	IA M WO MA	-53.64		-53.64
04/08/2008	279372-002	L. GLASOE	IN M BLUE PLUS	-17.12		-17.12
04/08/2008	279372-002	L. GLASOE	IA M WO MA	-21.88		-21.88
04/08/2008	279543-001	L. GLASOE	IN M BLUE PLUS	-34.24		-34.24
04/08/2008	279543-001	L. GLASOE	IA M WO MA	-43.76		-43.76
04/08/2008	279543-002	L. GLASOE	IN M BLUE PLUS	-23.12		-23.12
04/08/2008	279543-002	L. GLASOE	IA M WO MA	-17.88		-17.88
04/08/2008	279662-001	L. GLASOE	IN M BLUE PLUS	-51.36		-51.36
04/08/2008	279662-001	L. GLASOE	IA M WO MA	-65.64		-65.64
04/08/2008	279846-001	L. GLASOE	IN M BLUE PLUS	-23.12		-23.12
04/08/2008	279846-001	L. GLASOE	IA M WO MA	-17.88		-17.88
04/08/2008	279846-002	L. GLASOE	IN M BLUE PLUS	-34.24		-34.24
04/08/2008	279846-002	L. GLASOE	IA M WO MA	-43.76		-43.76
04/08/2008	279883-001	L. GLASOE	IN M BLUE PLUS	-51.36		-51.36
04/08/2008	279883-001	L. GLASOE	IA M WO MA	-65.64		-65.64
04/08/2008	280101-001	L. GLASOE	IN M BLUE PLUS	-34.24		-34.24

CONTINUED ON NEXT PAGE

1.5% SERVICE CHARGE AFTER 30 DAYS

Account Balance

Account Number	Statement Date	Total	Amount Due Now	Expected Insurance
111076	05/15/2008			

Make Checks Payable To: PRAIRIE REHABILITATION SERVICES