



NC Department of Public Safety
ADMINISTRATION

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Fiscal Note for Proposed Office of Victims Compensation Services Rule Updates

Agency: North Carolina Department of Public Safety
Administration Division
Office of Victims Compensation Services

Rule Citation(s): 14B NCAC 09 .0302 PROCESSING AND PAYMENT OF CLAIMS

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Rulemaking Authority: G.S. 15B-6 (a)

Impact Summary: State Government: Yes
Local Government: No
Private Entities: Yes
Substantial Impact: No

BACKGROUND

Since 1987, the NC Department of Public Safety (DPS)'s Office of Victim Compensation Services (OVCS) has helped victims and their families heal from the devastating effects of criminal violence by providing financial assistance for expenses such as medical care, counseling, lost wages, and funeral expenses.

OVCS may reimburse people who suffer medical expenses and lost wages as a result of being an innocent victim of a crime committed in North Carolina. Victims of rape, assault, child sexual abuse, domestic violence, and drunk driving, as well as the families of homicide victims, are eligible to apply for financial help.



Like other compensation programs, North Carolina is a payer of last resort. The program helps offset financial losses not covered by other sources including, but not limited to:

- Health insurance;
- Auto or disability insurance;
- Public funds such as Medicaid;
- Workers compensation; or
- Restitution paid by an offender.

The program does not compensate victims for damaged or stolen property, or for pain and suffering. Victims must file for compensation within two years of the date when injury occurred. Medical expenses related to injuries received from the crime are only eligible for review for the one-year period following the date of the crime.

A maximum of \$45,000 may be paid for an award for medical expenses related to treatment of injuries as a result of the crime. A maximum of \$10,000 may be paid for funeral expenses when the victim dies as a result of the crime. Benefits for approved claims are paid directly to a service provider.

CHANGES SUMMARY

14B NCAC 09 .0302 PROCESSING AND PAYMENT OF CLAIMS (Attachment 1)

The first proposed change to this rule adds the website location (<http://www.ncdps.gov/4victims>) where claimants can find the application for reimbursement. This aligns with current practice; the application has been available on the website since 2005.

The second proposed change allows applications to be accepted via an electronic application portal, fax, or email once the Director has determined the submitted application is complete. Under the current process, claimants mail a one-page Victim Compensation application and supporting documentation to OVCS. Applications are distributed at District Attorney's offices, law enforcement offices, or can be downloaded from the website listed above.

OVCS receives approximately 300 applications per month. Information from the applications must be manually keyed into the TimeMatters system, a desktop application that was procured in 2005. This process is tedious, time-consuming, and error prone. Additional delays are caused by incomplete/incorrect forms, insufficient supporting documentation, and communication barriers with non-English speakers. As a result, it typically takes 3-6 months to process each application.

TimeMatters does not interface with the State's financial system, nor does it provide detailed reports for operations management or audit purposes.

OCVS is proposing to replace the current system with a solution that streamlines the application process, expedites the review/approval of claims, interfaces with the State's financial system, and provides enhanced document management and reporting capabilities.

IMPACT ANALYSIS

Costs

While not a result of the proposed rule change itself, the largest costs associated with modernizing the claim system will be for the procurement and implementation of an electronic application system. Per S.L. 2022-58, Sec. 11(a), DPS is authorized to use up to \$500,000 in nonrecurring funds from the surplus funds in the Crime Victims Compensation Fund for this purpose. A request for bids has not yet been published, so exact costs are unknown at this time. In any case, the cost will not be more than allowed per law.

Some claimants may not have access to the internet at home for accessing the system. In these cases, there may be costs associated with travel to a public library or other location to access a computer/internet. However, claimants currently must travel to get a form in person (District Attorney's office or law enforcement office) or print the form from the DPS website and all applications must be submitted via mail, so these costs will likely be the same or less when compared to current practice.

Benefits

The main benefit associated with shifting from a manual to an electronic application system is quicker processing times for staff, which will ultimately translate to making faster compensation awards to eligible claimants. The new system will prevent incomplete applications from being submitted and will remove the manual process of inputting data into the system, reducing processing time, staff time, and claimant time for follow-up.

The electronic application system will also include information in Spanish, helping to remove existing barriers than Spanish-speaking claimants currently face with the system. This change will increase access for the Spanish-speaking community and reduce time spent on translation services.

This change would allow all applications to be submitted electronically through the portal, saving the claimant costs associated with postage, as well as travel time to pick up the application or printing costs associated with printing the form from the website.

ATTACHMENT 1

14B NCAC 09 .0302 is proposed for amendment as follows:

14B NCAC 09 .0302 PROCESSING AND PAYMENT OF CLAIMS

- (a) An application for a claim shall be accepted only when submitted on an approved claim application form located on the Crime Victim Compensation website, <http://www.ncdps.gov/4victims> and a determination is made by the Director that the application is complete with the required information in accordance with G.S. 15B-7. An application for a claim shall be accepted when submitted through approved electronic application portal, or by fax, or email on an approved claim application and a determination is made by the Director that the submitted application is complete.
- (b) Claims will be processed in the order in which the completed applications are ~~received, deliverable by United States mail, received.~~ In any consideration of competing claims, with respect to priority order of processing, the filed date stamped on the claim shall be controlling.
- (c) Every claim filed is subject to investigation to determine eligibility in accordance with G.S. 15B-8 by the Director. Failure of the claimant to cooperate in the investigation may result in a denial of the claim or a reduction in the amount awarded.
- (d) The Director or the Commission may reopen the investigation of any claim upon a finding that the claimant has provided additional information.
- (e) The Director shall mail a written statement of the award decision to the claimant along with the check for the award, if any, within 15 days of the Director's or the Commission's decision or verification of current collateral source information, whichever occurs last. This written statement shall notify the claimant: whether this check is a partial or complete payment of the award; of any payments made directly to a service provider; and of appeal rights.
- (f) Claims shall be docketed for determination of payment in an order determined by the Director.
- (g) All payments of compensation shall be made in strict accordance with the award issued by the Director or the Commission.
- (h) A claimant who fails to cooperate with or supply requested information including medical expenses, current contact information, details regarding circumstances of crime to the Director or who supplies inaccurate or incomplete information may have the claim denied or the award reduced, in the discretion of the Director or the Commission.
- (i) The claimant shall inform the Director at any time before any action brought to recover damages for the criminally injurious conduct that is the basis of any claim or award and the availability of any collateral source. The failure to provide such information may be considered as fraud, allowing the Director or the Commission to reduce or deny an award or to recover monies previously paid.
- (j) All notifications and payments or other documents transmitted by mailing will be sent to the address submitted by the claimant. The claimant shall notify the Director in writing of any change of address.

History Note: Authority G.S. 15B-3; 15B-6;

Temporary Rule Eff. November 24, 1987 For a Period of 171 Days to Expire on May 13, 1988;

Eff. April 1, 1988;

Transferred from 14A NCAC 11 .0501 Eff. June 1, 2013;

Readopted Eff. September 1, 2020.