

**ANNUAL WORKERS' COMPENSATION INFORMATION
SYSTEM
ADVISORY COMMITTEE MEETING**



Oakland: October 21, 2013

First Reports of Injury (FROIs) and Subsequent Reports of Injury (SROIs)

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Basic Statistics: Number of Trading Partners

Number of FROI-SROI Trading Partners

- **FROI-SROI Full Production** **187**
- **FROI-SROI Partial Production/Partial Testing** **22**
- **FROI-SROI Full Testing** **10**

Basic Statistics: System Size

2012: Number of FROI Claims Processed

- 528,098

2012: Number of FROI-SROI Transactions
Processed

- 3.5 Million

Today's Discussion Outline

A. Current Status of FROI-SROI Reporting

- Completeness of Reporting
- Timeliness of FROI Reporting
- Accuracy of FROI-SROI Reporting

B. Pre-Penalty Phase of FROI-SROI

- Cleaning Specific Data Quality Issues
- Trading Partner Education Program

C. FROI-SROI Trading Partner Questions

Completeness of FROI-SROI Reporting

Completeness of FROI-SROI Reporting

3 Measurements of Completeness of FROI-SROI Reporting

1. Compare the Number of FROIs Received to the Number of SROIs Received
2. Compare the Expected FROIs-SROIs versus Observed(Reported) FROIs-SROIs
3. Examine the Completeness of Reported Claims

Completeness of FROI-SROI Reporting

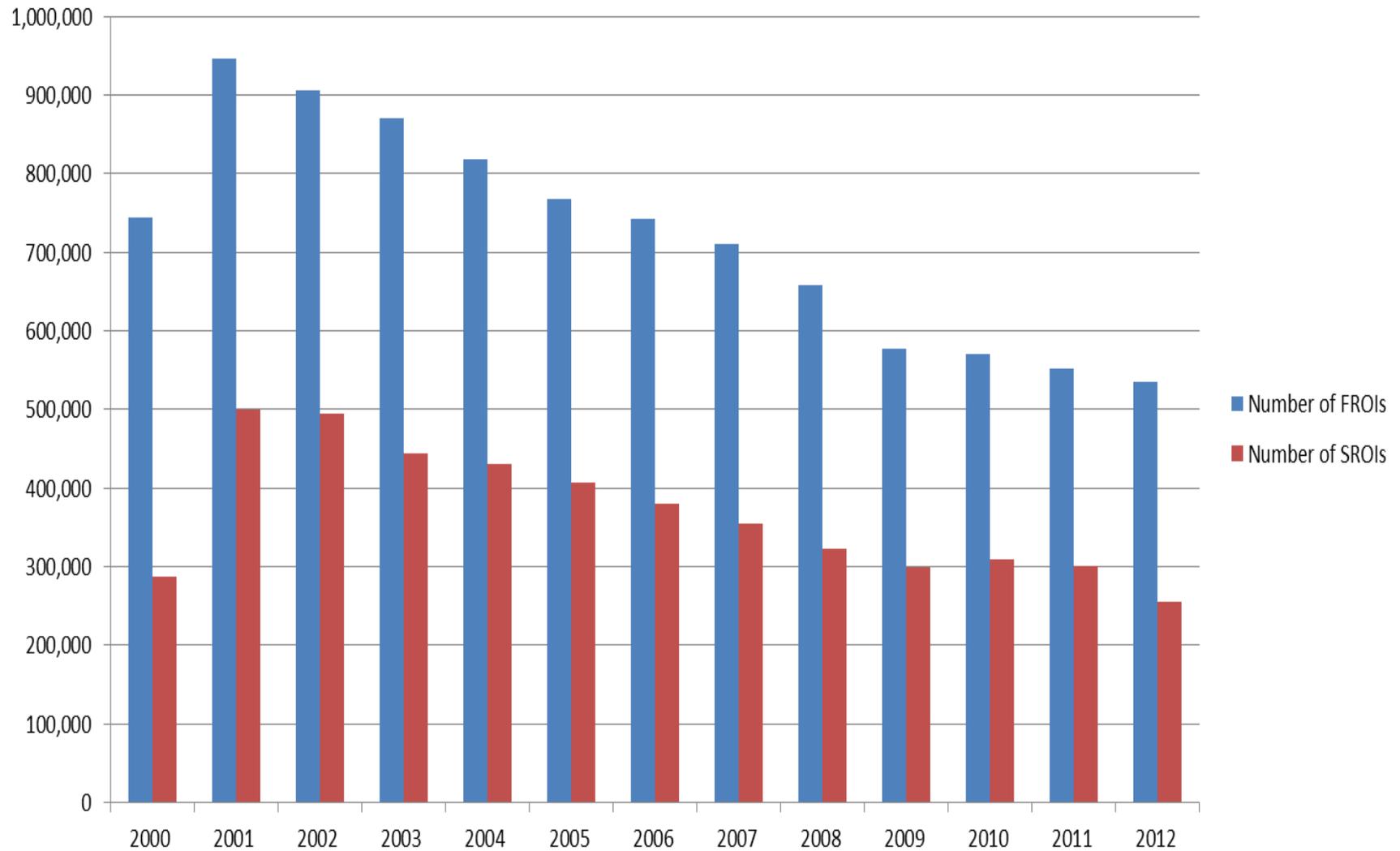
1st Measurement of Completeness

Compare the Number of FROIs Received to the Number of SROIs Received

- If reporting is complete, SROIs would account for roughly 85-90% of the Count of FROIs

	Entire Database	SROI %	2012 DOI	SROI %
FROIs	9.4 Million		528,098	
SROIs	4.8 Million	51%	251,650	48 %

Completeness: Comparing Number of FROIs to Number of SROIs Received FROIs and SROIs Reported to WCIS, by Date of Injury (2000-2012)



Completeness of FROI-SROI Reporting

2nd Measurement of Completeness:

Compare the Expected FROIs-SROIs versus
Observed(reported) FROIs-SROIs

DWC conducts this measurement using the Audit Unit's
Annual Report of Inventory (ARI) as its expected FROIs-
SROIs.

Why the ARI? ARI and WCIS have similarly
defined reporting categories.

Completeness of FROI-SROI Reporting

The ARI and WCIS share the following comparable categories:

- FROIs
- SROIs (Medical and Paid Indemnity)
- Medical Claims
- Paid Indemnity Claims
- Denied Claims

In each one of these categories, the number of claims reported on the ARI should approximate the number of claims reported to WCIS.

Completeness: 2012 ARI-WCIS Comparison

	ARI (Expected)	WCIS (Observed/Reported)	Proportion of Expected- Observed
FROIs*	606,985	528,098	.87
SROIs (Medical + Paid Indemnity)	529,088	251,650	.48
<i>Medical</i>	<i>343,401</i>	<i>156,033</i>	<i>.45</i>
<i>Paid Indemnity</i>	<i>129,509</i>	<i>95,617</i>	<i>.74</i>
Denials	78,629	52,104	.66

* The estimated FROI undercount in WCIS according to the 2012 ARI-WCIS Comparison is 13%.

Completeness of FROI-SROI Reporting

Annually, DWC Sends out Individualized ARI-WCIS Comparison Reports to Each Trading Partner.

If you have not received yours, please e-mail your EDI contact so they may update your contact information on your Trading Partner Profile.

Completeness of FROI-SROI Reporting

3rd Measurement of Completeness:

Examine the Completeness of Reported Claims

This measure of completeness attempts to answer the following:

Once an individual claim is reported, how often does WCIS receive all relevant subsequent Transactions?

Completeness of FROI-SROI Reporting

Step One of this Analysis:

How many FROIs have at least one Matched SROI in WCIS?

For 2012 dates of Injury:

72% of submitted and not denied FROIs had at least one matching SROI.

Completeness of FROI-SROI Reporting

- Step Two of This Analysis:
How many FROIs have a completed FROI and SROI claim history?
 - Answer to be determined

Timeliness of FROI Reporting

Calculating Timeliness of FROI Reporting

- Time Elapsed between the date FROI was reported to claim administrator (DN41) and the date of transmission (DN100) to WCIS
- According to the California Implementation Guide, a FROI report transmitted within 10 Business Days is Considered On-Time

Timeliness: 2012 Statewide FROI

Timeliness of Reporting

	FROIs Reported %
On-Time	83.4%
Less than 28 Days Late	5.0%
More than 28 Days Late	11.6%

Median Days for All Statewide Reported FROIs = 5 Days

Mean (Average) Days for All Statewide Reported FROIs = 26.6

Timeliness of FROI Reporting

DWC Publishes a Statewide Aggregate Timeliness of FROI reporting Table on its website:

http://www.dir.ca.gov/dwc/wcis/WCIS_Reports.html

DWC Sends out a report of individualized Timeliness of FROI reporting reports to its Trading Partners.

If you have not received yours, please e-mail your EDI contact so they may update your contact information on your Trading Partner Profile.

Accuracy of FROI-SROI Reporting: FROI-SROI Data Quality

FROI-SROI Data Quality

- To Measure FROI-SROI Data Quality DWCC examines the type and frequency of Acknowledgements sent to Trading Partners.
- Three Types of Acknowledgements:
 - Transaction Accepted (TAs)
 - Transaction Accepted with Error (TEs)
 - Transaction Rejected (TRs)

Data Quality: 2012 Acknowledgments by Type (Records in Millions)

3.5 million Acknowledgments (1.7 million Unique JCNs)

	Accept (TA)	Accept with Error (TE)	Reject (TR)	Total
FROI	1.4m	0.5m	0.9m	1.9m
SROI	1.3m	0.1	0.1m	1.6m
Total	2.7m	0.6m	0.2m	3.5m

	Accept (TA) %	Accept with Error (TE) %	Reject (TR) %
FROI	70%	25%	5%
SROI	84%	7%	9%
Total	76%	17%	7%

Overall Data Quality

- Three Types of Errors (TRs and TEs) Account for 70% of All Data Quality Issues in FROI-SROI
- Invalid FEINs
- Invalid Formats (Numbers, and Dates)
- Invalid Codes

Data Quality-Most Frequent FROI 2012 TRs

Rank	TR Error Code Types	Number of TRs	% of All TRs
1	Invalid FEIN*	52,410	57 %
2	Duplicate FROI	19,192	21 %
3	Event Criteria Not Met	12,252	13 %
4	No Matching FROI	8,149	9 %

***In 2012, 54 percent of all FROI TRs were generated because the submitted Insurer FEIN did not match the Claims Administrators' FEIN list on their Trading Partner Profile.**

Top 4 FROI TR Error Code Types account for 99% of all FROI TRs

Data Quality: Most Frequent FROI 2012 TEs

Rank	TE Error Code Types	Number of TEs	% of All TEs
1	Invalid Codes	328,121*	69%
2	Invalid Formats	86,986	18%
3	Mandatory Field Not Present	39,516	8%

***Invalid Codes most frequently occur for inaccurately reporting of Industry Code (DN 25) and Class Code (DN 59)**

DN 25 Must be either NAICS (6-digit) or SIC (4-digit) + 'SC'

DN 59 Must be a WCIRB class code.

Top 3 FROI TE Error Code Types account for 95% of all FROI TEs

Data Quality: Most Frequent SROI 2012 Non-Sequencing TRs

Rank	TR Error Code Types	Number of TRs	% of All TRs
1	Invalid Formats*	50,396	34%
2	Event Criteria Not Met	29,364	20%
3	No Matching FROI	12,104	8%
4	Invalid FEIN	5,605	4 %
5	Invalid Codes	4,183	3%

*Invalid Formats are inaccurately reported Number-Character Combinations or inaccurately reported date. WCIS accepts (YYYYMMDD).

The Top 5 non-sequencing TR Error Code Types account for 68 % of all SROI TRs

Data Quality: Most Frequent SROI 2012 TEs

Rank	TE Error Code Types	Number of TEs	% of All TEs
1	Required Segment Not Present*	54,903	49%
2	Invalid Formats	43,109	39%
3	Invalid Code	7,929	7%

* All SROI TEs are for Error Code (068) Required Segment Not Present on (DN78) Number of Permanent Impairments.

Business Rule: Number of Permanent impairments Must be >0 if [MTC={IP, AP, AB, CB, PY, FN, SROI 02 or SROI CO} AND starting or updating PD benefits (i.e. DN86>0 AND DN85={020, 021, 030, 040 or 090})];

Top 3 SROI TE Error Code Types account for 95% of all SROI TEs

FROI-SROI Data Quality Reports

The Annual Statewide Aggregate Data Quality Report is
Published on the DWC Website:

http://www.dir.ca.gov/dwc/wcis/WCIS_Reports.html

Individual Trading Partners Data Quality Reports were e-mailed
out on June 13, 2013

If you have not received yours, please e-mail your EDI contact so
they may update your contact information on your Trading
Partner Profile.

Pre-Penalty Phase of FROI-SROI

Penalty Regulation

SB 826, signed into law by Governor Brown on October 7, 2011, amends Labor Code sections 138.6 and 138.7 by authorizing DWC to assess administrative penalties for the failure by a claims administrator to report accurate claim information to WCIS.

Pre-Penalty Phase of FROI-SROI

Pre-Penalty Phase:

DIR and DWC is reaching out to Trading Partners in order to

- Improve the dataset quality prior to the adoption of administrative penalties
- Minimize the number and amount of penalty assessments once the penalty regulations go-live
- Improve trading partner compliance reports before they are posted online.

Pre-Penalty Phase of FROI-SROI

Two Pronged Approach

- Cleaning Specific Data Quality Issues
- Trading Partner Education Program

Cleaning Specific Data Quality Issues

Cleaning Specific Data Quality Issues

4 Steps for Resolving Data Issues in FROI-SROI:

1. Identify all Data Quality Issues in FROI-SROI
2. Triage Data Issues with priority given to Data Quality Issues identified in the proposed penalty regulations.
3. Determine the concentration of these Data Quality Issues amongst Trading Partners.
4. Educate Trading Partners about Data Quality Issues

Cleaning Specific Data Quality Issues

Step 1: Identify all data issues in FROI-SROI

Use the Annual Statewide Aggregate Data Quality Report Published on the DWC Website:

http://www.dir.ca.gov/dwc/wcis/WCIS_Reports.html

Cleaning Specific Data Quality Issues

Step 2: Triaging Proposed Penalty Regulation Elements

FROI-SROI Data Issues in the proposed penalty regulations.*

1. Invalid Codes
2. Invalid Formats
3. Invalid FEINs
4. Required Segments
5. Mandatory Fields not Present

* Not an exhaustive list, however this list covers 88% of the TR and TE penalties in the proposed regulations

Cleaning Specific Data Quality Issues

3. Determine the concentration of these Data Issues amongst Trading Partners (Concentrated or Disperse?)

Cleaning Specific Data Quality Issues

Concentrated Data Issues (High Numbers of TR/TEs and Low Number of Trading Partners)

Example: SROI TE Error: Required Segment Not Present Error.

In 2012, this Error occurred 54,903 times (88 % of these errors were committed by 3 Claims Administrators)

Cleaning Specific Data Quality Issues

Dispersed Data Issue:(High Numbers of TR/TEs and High Number of Trading Partners)

Example: Invalid Claim Administrator FEIN

In 2012, TR occurred 50,566 times. No Claim administrator responsible for more than 12% of the TRs, and this TR is on 85% of Claim's Administrator Data Quality Reports.

Cleaning Specific Data Quality Issues

Step 4: Educate Trading Partners

Method of education dependent on concentration of Data Issues.

- Highly Concentrated Issues: Direct education to Trading Partners will be provided by DWC regarding your FROI/SROI reporting issue.
- Dispersed Data Issues: WCIS E-News Training Bulletins listing Best Practices, or Webinars.

Trading Partner Education Program

Trading Partner Education Program

Three Types of Trading Partners in WCIS:

1. Non-Senders
2. Trading Partners with a high percentage of missing, late, and error laden data
3. Everyone Else (including some really good reporters)

The Pre-Penalty Phase Trading Partner Education Program will approach each type slightly differently over the next year.

Non-senders

- Trading Partners/Claims Administrators who are not reporting for FROI-SROI.
- If non-senders haven't contacted DWC by November 29, 2013, DWC will begin reaching out to help Non-reporters to start reporting.
- If non-senders do not start reporting process by the end of 2013, DWC will begin escalating the compliance issue through DWC and DIR.

Trading Partners with lots of missing, late, and/or error laden data

- In December 2013, DWC will rank all trading partners in terms of Completeness, Timeliness and Accuracy.
- In the first quarter of 2014, DWC will randomly select from the bottom 25% of Trading Partners one trading partner per month for one-on-one evaluation and education.
- After the one-on-one education has ended, DWC will continue to monitor the selected trading partner's submissions for the next year for additional points of education.

Everyone Else

- In the first quarter of 2014, DWC will randomly select one-to-two trading partners per month for one-on-one evaluation and education.
- After the one-on-one education has ended, DWC will continue to monitor the selected trading partner's submissions for the next year for additional points of education.

Trading Partner Education Program

Reasons to Participate in Trading Partner Education Program when DWC calls:

- Avoid Penalties
- Improve your Compliance Report
- Get a Waiver for your ARI reporting.*

* The DWC Audit Unit currently issues their waiver based on the same thresholds set in the Proposed WCIS Penalty Regulations.

Volunteers

- DWC would like to ask Claims Administrators who would like to volunteer to be participants in the Pilot Phase of the Trading Partner Education Program to do so by e-mailing me at Jgordon@dir.ca.gov no later than October 30, 2013.

EDI Contacts

- Johnny Lee
email: jblee@dir.ca.gov
Trading partner letters A, I-L, S-V, Z
- Elisema Cantu
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Trading partner letters B, D-F, N, O, W-Y
- Kenneth Kong
email: kkong@dir.ca.gov
Trading partner letters C, G, H, M, P-R

Questions?