

## California Division of Workers' Compensation Checklist for a Variance for Medical Bill Reporting

WCIS Regulation	Variance Criteria	Status
<p style="text-align: center;"><b>9702.a.1.A</b> <b>Partial variance</b></p> <p>A partial variance requested on the basis that the claims administrator is unable to transmit some of the required data elements to the WCIS shall be granted for a six-month period only if all of the following are shown</p>	<p>A letter or statement indicating that compliance with the reporting deadlines set forth in subdivision (e) would cause undue hardship to the claims administrator as measured by:</p> <ul style="list-style-type: none"> <li>○ the claims administrator's total required expenses;</li> <li>○ the reporting cost per claim if transmitted in-house;</li> <li>○ the total cost per claim if reported by a vendor.</li> </ul> <p>Costs and expenses shall be itemized.</p>	
	<p>A letter or statement indicating that any medical data elements currently being transmitted by the claims administrator or the claims administrator's agent to public or private research or statistical entities shall be reported by the claims administrator to the WCIS.</p>	
	<p>Submission of a plan, such as a HIPAA-type Gap Analysis, prior to the applicable deadline set forth in subdivision (e), documenting the means by which the claims administrator will ensure full compliance with the data reporting within six months from the request.</p>	
<p style="text-align: center;"><b>9702.a.1.B</b> <b>Partial variance</b></p> <p>A partial variance requested on the basis that the claims administrator is unable to report some of the required data elements to the WCIS because the data elements are not available to the claims administrator or the claims administrator's agent shall be granted for a six-month period only if all of the following are shown</p>	<p>A letter or statement indicating that compliance with the reporting deadlines set forth in subdivision (e) would cause undue hardship to the claims administrator as measured by:</p> <ul style="list-style-type: none"> <li>○ the claims administrator's total required expenses;</li> <li>○ the reporting cost per claim if transmitted in house;</li> <li>○ the total cost per claim if reported by a vendor.</li> </ul> <p>Costs and expenses shall be itemized.</p>	
	<p>A letter or statement indicating that any medical data elements currently being transmitted by the claims administrator or the claims administrator's agent to public or private research or statistical entities shall be reported by the claims administrator to the WCIS.</p>	
	<p>A letter or statement indicating that the claims administrator will submit to the WCIS the medical data elements available to the claims administrator or the claims administrator's agents.</p>	
	<p>Submission of a plan, such as a HIPAA-type Gap Analysis, prior to the applicable deadline set forth in subdivision (e), documenting the means by which the claims administrator will ensure full compliance with the data reporting within six months from the request.</p>	
<p style="text-align: center;"><b>9702.a.1.C</b> <b>Total variance</b></p> <p>A total variance shall be granted for a twelve-month period if all of the following are shown</p>	<p>A letter or statement indicating that compliance with the reporting deadlines set forth in subdivision (e) would cause undue hardship to the claims administrator as measured by:</p> <ul style="list-style-type: none"> <li>○ the claims administrator's total required expenses;</li> <li>○ the reporting cost per claim if transmitted in-house;</li> <li>○ the total cost per claim if reported by a vendor.</li> </ul> <p>Costs and expenses shall be itemized.</p>	
	<p>A letter or statement indicating that the claims administrator has not contracted with a bill review company to review medical bills submitted by providers in its workers' compensation claims.</p>	
	<p>A letter or statement indicating that the claims administrator is unable to transmit medical data to public or private research or statistical entities.</p>	
	<p>Submission of a plan, such as a HIPAA-type Gap Analysis, prior to the applicable deadline set forth in subdivision (e), documenting the means by which the claims administrator will ensure full compliance with the data reporting within twelve months from the request.</p>	

All variance requests must be received by September 22, 2006 at:

WCIS  
 C/O Bill Kahley  
 Division of Workers' Compensation  
 P.O. Box 420603  
 San Francisco, CA 94142-0603

(a) Each claims administrator shall transmit data elements, by electronic data interchange in the manner set forth in the California EDI Implementation Guide for First and Subsequent Reports of Injury and the California EDI Implementation Guide for Medical Bill Payment Records, to the WCIS by the dates specified in this section. Each claims administrator shall, at a minimum, provide complete, valid, accurate data for the data elements set forth in this section. The data elements required in subdivisions (b), (c), (d) and (e) are taken from California EDI Implementation Guide for First and Subsequent Reports of Injury and the California EDI Implementation Guide for Medical Bill Payment Records. Claims administrators shall only transmit the data elements that are set forth in the California EDI Implementation Guide for First and Subsequent Reports of Injury and the California EDI Implementation Guide for Medical Bill Payment Records. Each transmission of data elements shall include appropriate header and trailer records as set forth in the California EDI Implementation Guide for First and Subsequent Reports of Injury and the California EDI Implementation Guide for Medical Bill Payment Records.

(1) The Administrative Director, upon written request, may grant a claims administrator either a partial or total variance in reporting all or part of the data elements required pursuant to subdivision (e) of this section. Any variance granted by the Administrative Director under this subdivision shall be set forth in writing.

(A) A partial variance requested on the basis that the claims administrator is unable to transmit some of the required data elements to the WCIS shall be granted for a six-month period only if all of the following are shown:

1. a documented showing that compliance with the reporting deadlines set forth in subdivision (e) would cause undue hardship to the claims administrator;
2. a documented showing that any medical data elements currently being transmitted by the claims administrator or the claims administrator's agent to public or private research or statistical entities shall be reported by the claims administrator to the WCIS; and
3. submission of a plan, prior to the applicable deadline set forth in subdivision (e), documenting the means by which the claims administrator will ensure full compliance with the data reporting within six months from the request.

(B) A partial variance requested on the basis that the claims administrator is unable to report some of the required data elements to the WCIS because the data elements are not available to the claims administrator or the claims administrator's agent shall be granted for a six-month period only if all of the following are shown:

1. a documented showing that compliance with the reporting deadlines set forth in subdivision (e) would cause undue hardship to the claims administrator;
2. a documented showing that any medical data elements currently being transmitted by the claims administrator or the claims administrator's agent to public or private research or statistical entities shall be reported by the claims administrator to the WCIS;
3. a documented showing that the claims administrator will submit to the WCIS the medical data elements available to the claims administrator or the claims administrator's agents; and
4. submission of a plan, prior to the applicable deadline set forth in subdivision (e), documenting the means by which the claims administrator will ensure full compliance with the data reporting within six months from the request.

(C) A total variance shall be granted for a twelve-month period if all of the following are shown:

1. a documented showing that compliance with the reporting deadlines set forth in subdivision (e) would cause undue hardship to the claims administrator;
2. a documented showing that the claims administrator has not contracted with a bill review company to review medical bills submitted by providers in its workers' compensation claims;
3. a documented showing that the claims administrator is unable to transmit medical data to public or private research or statistical entities; and
4. submission of a plan, prior to the applicable deadline set forth in subdivision (e), documenting the means by which the claims administrator will ensure full compliance with the data reporting within twelve months from the request.

(2) "Undue hardship" shall be determined based upon a review of the documentation submitted by the claims administrator. The documentation shall include: the claims administrator's total required expenses; the reporting cost per claim if transmitted in house; and the total cost per claim if reported by a vendor. The costs and expenses shall be itemized to reflect costs and expenses related to reporting the data elements listed in subdivision (e) only.

(3) The variance period for reporting data elements under subdivisions (a) (1) (A) and (B) shall not be extended. The variance period for reporting data elements under subdivision (a) (1) (C) may be extended for additional twelve-month periods if the claims administrator resubmits a written request for a variance. A claims administrator granted a variance shall submit to the WCIS all data elements that were required to be submitted under subdivision (e) during the variance period except for data elements that were not known to the claims administrator, the claims administrator's agents, or not captured on the claims administrator's electronic data systems. The data shall be submitted in an electronic format acceptable to the Division.