

California Division of Workers' Compensation
WORKERS' COMPENSATION INFORMATION SYSTEM
WCIS Advisory Meeting



Van Nuys, California, June 21, 2010
Oakland, California, June 23, 2010

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Goals for the Workers'
Compensation Information System
(WCIS)

- Help DWC Manage WC system
- Facilitate Evaluation of Benefits Delivery
- Assist in Measuring Benefit Adequacy
- Provide Statistical Data for Research

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Components of WCIS

- Interface between WCIS and EAMS
- First Reports—FROI
- Subsequent Reports—SROI
- Medical/Bill Payment Reports

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Interface between WCIS & EAMS: Online Query Interface

- The purpose of the Online Query interface is to match data from scanned paper forms against existing claims in WCIS using real-time queries
- If a match is found, EAMS will retrieve the following data from WCIS:
 - Employer Details (Name and Address)
 - Insurer Details (Name and Address)
 - Claims Administrator Details (Name and Address)
 - JCN

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Interface between WCIS & EAMS: JCN Retrieval Interface

- The purpose of the WCIS - JCN Retrieval interface is to receive a file every night containing JCN and the corresponding EAMS case number from WCIS. This JCN number will be populated into the EAMS database.
- Cases are matched on Last Name, SSN, Date of Birth and Date of Injury
- The following data will be accepted by EAMS:
 - JCN#
 - EAMS case reference number

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FROI SROI Data Collection

Martha Jones
Manager, Research Unit

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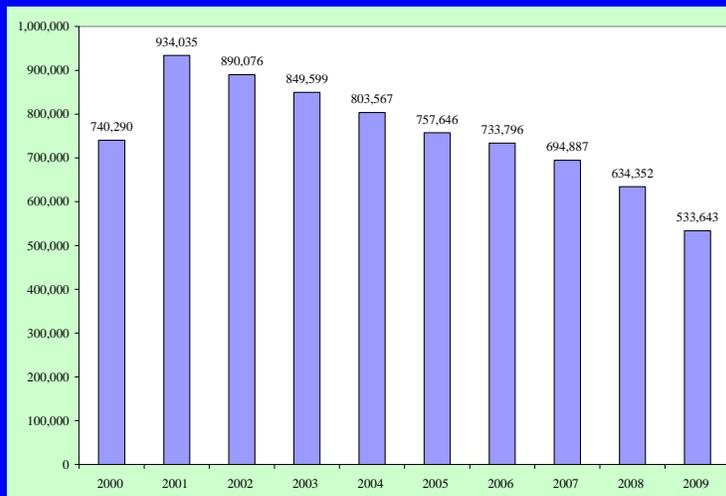
WCIS Data Collection – First Report of Injury (FROI)

- 6/2010
- Trading Partners Submitting Data 175

- Total Number of Claims 7.6 m

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Number of Claims Reported to WCIS, 2000-2009 Total Claims = 7,571,891 as of June 2010



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WCIS Data Collection – Subsequent Reports of Injury (SROI)

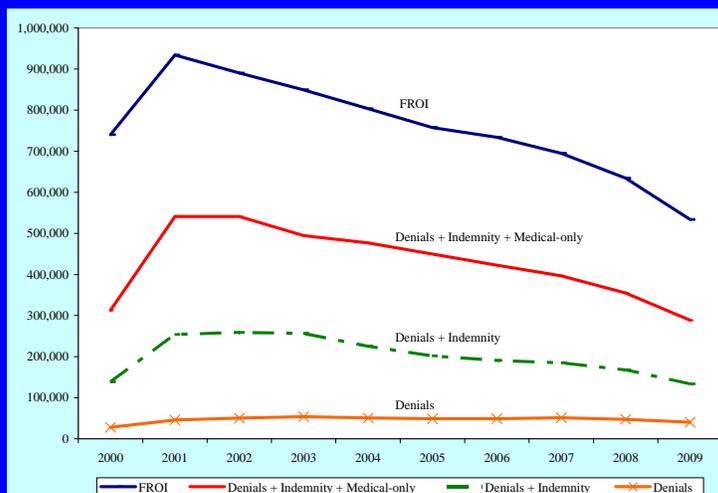
6/2010

- Trading Partners Submitting Data 121

- Total Number of SROI Reports 3.8 m
 - Indemnity 1.5 m
 - Medical Only 2.3 m

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SROI Reporting is not complete



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Matching Problems

- Sender ID – Claim Administrator/TP ID List (no match, 039 error => TR)
 - Primary match: FEIN
- FROI – SROI (no match, 053 error => TR)
 - Primary match: JCN
- Medical bills – FROI (no match, 039=>TE)
 - Primary match: JCN
 - Secondary match: Claim Administrator Claim Number + Insurer FEIN + Date of Injury + Employee Last Name

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Data Quality: FEINs

- Some claims administrators are reporting their own FEIN as the insurer FEIN and the employer FEIN (instead of the true employer FEIN)
- Blank FEINs, invalid FEINs (123456789)
- FEINs with transposed digits

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Claim Administrator Claim Number Variations on the Theme

Medical	FROI SROI	
440608903 <u>0000</u>	440608903	Trailing zeros
111 <u>C</u> 202777	111202777	C in 4 th position
081889990	<u>2</u> 008189990	20 added at start
<u>Q</u> G199993	<u>N</u> G199993	1 st character differs
2222222	2222222 <u>STAN</u>	STAN added
<u>00</u> 05320050999999	05320050999999	Leading zeros
0051070088888	<u>777</u> 0051070088888	Leading 777
222A9M3399 <u>N</u>	222 <u>CMA</u> 9M3399	Added characters

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Data Quality: Acknowledgments



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Acknowledgment Records (millions) July 1, 2009 – May 31, 2010

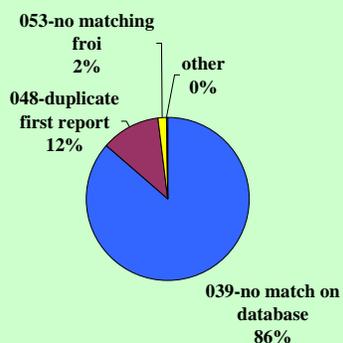
	Accept (TA)	Accept w/ Error (TE)	Reject (TR)	Total
FROI	1.6m	0.3m	0.3m	2.3m
FROI*	1.6m	0.3m	0.06m	2.0m
SROI	1.2m	0.1m	0.2m	1.5m
Total	2.9m	0.4m	0.5m	3.8m

* Excluding one sender

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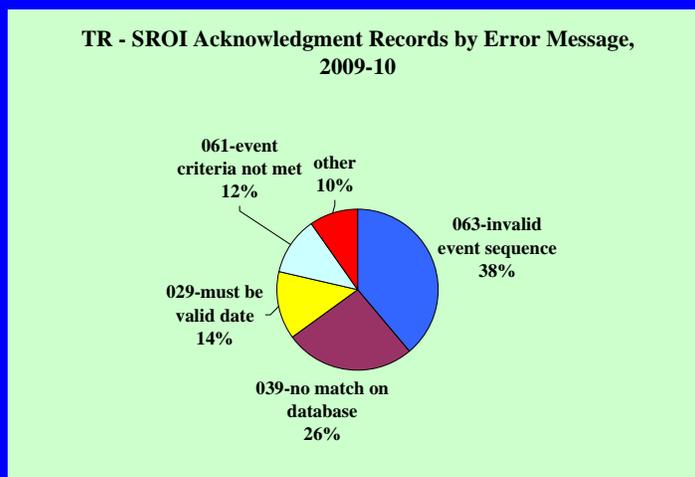
Trading partners need to keep their Sender ID lists up to date

TR - FROI Acknowledgment Records by Error Message,
2009-10



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SROI Acknowledgment Rejections – by Error Message



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Error code 063- Invalid Event/Sequence Relationship

Some examples when error code 063 can be generated:

- An indemnity benefit is being reported that was not previously accepted, eg. reporting a new indemnity benefit on a Final (FN).
- A benefit that was previously accepted is not being reported, eg. sending a Final (FN) that is missing a previously accepted indemnity benefit.
- A SROI is sent in without any benefit information, indemnity or non-indemnity.
- A Reinstatement of Benefit (RB) is sent without a previous suspension, eg. S1 or S3.
- An Initial Payment (IP) is sent when there is already a previously accepted IP.
- A SROI Change (02) or CO (Correction) is sent when there has not been a previously accepted SROI.

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Error Code 061- Event Criteria Not Met

Some examples when error code 061 can be generated:

- A SROI such as the Initial Payment (IP), Acquired Payment (AP), Reinstatement of Benefit (RB), Change in Benefit Type (CB), Change in Benefit Amount (CA), Full Salary (FS), or Suspension, Returned to Work (S1) is sent in without indemnity benefit information.
- A UR is sent without any benefits, indemnity or non-indemnity
- A SROI Annual (AN) is sent for an indemnity claim with a 'closed' Claim Status (DN 73) and a Final (FN) has not been previously accepted. Indemnity claims must be closed with the FN.

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Error Code 061- Event Criteria Not Met

Here's the breakdown of the 061 errors by data element:

DN 2:

- a) IP, AP, CB, RB, CA, FS or Suspensions sent without any indemnity benefits
- b) UR sent without any benefits, indemnity or non-indemnity

DN 85

- a) AN sent with 'closed' Claim Status on an indemnity claim but no previous FN was accepted
- b) RE must contain benefit code 070 or 410

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Industry Code

- NAICS codes preferred; SIC codes accepted
- Example: Soy Bean Farming, the 2007 six-digit NAICS code is 111110. If the trading partner does not know the industry to the detailed six-digit level, then the 2-digit, 3-digit, or 4-digit NAICS code should be submitted in alpha-numeric format with zeros padded to the right. Using 2007 NAICS codes as an example:
 - 111110 Soy Bean Farming
 - 111100 Oilseed and Grain Farming
 - 111000 Crop Production
 - 110000 Agriculture, Forestry, Fishing and Hunting

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WCIS-ARI Comparison

- ARI = Annual Report of Inventory
- For claims reported to claims administrators in 2008 (2009 ARI) and 2009 (2010 ARI):
 - WCIS collects data by FEIN; DWC Audit Unit does not collect FEIN, but uses audit location
 - => Necessary to aggregate WCIS claims (by FEIN) by audit location

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WCIS-ARI Comparison for 2008

- DWC aggregated the 427 audit locations into 227 groups:
 - In 126 grouped locations, FROIs submitted to the WCIS were at least 50% of the claims reported to the ARI
 - 79 locations did not submit any data to the WCIS

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WCIS-ARI Comparison for 2008

- DWC staff have contacted 52 claims administrators at audit locations with low reporting to WCIS. At some locations,
- they said weren't reporting electronically due to system conversion issues
 - they said didn't know they were supposed to report to WCIS
 - they said they had reported to WCIS and helped DWC to correct our grouping program

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WCIS-ARI Comparison

- Reports comparing WCIS and ARI counts will be sent to audit locations
- In some cases, the audit locations for the same company will be aggregated
- Please provide us with feedback if your records do not agree with our report
- Next step: timeliness of payments reports

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Updated Annual Web Reports

Claims by Year of Injury, 2000-2009:

1. Part of Body
2. Cause of Injury
3. Nature of Injury
4. Market Share
5. Age
6. Gender
7. Geographic Region

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

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Updated Web Reports - Detail

Claims by Year of Injury, 2000-2009:

- Table 1a: Part of Body
- Table 2a: Cause of Injury
- Table 3a: Nature of Injury
- Table 7a: Geographic Region by County
- Table 8, 8a, 8b, 8c, 8d: 2009-10 Data quality report by data element & error message

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

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Monthly Web Reports – by month of injury, 2000-2009

- Table 9 – FROI and SROI Summary
- Table 10 – FROI, Total Reported Injuries
- Table 11 – SROI, Total Reported Medical Only
- Table 12 - SROI, Total Reported Indemnity
 - *Table 12a – SROI Indemnity, No Medical*
 - *Table 12b – SROI Indemnity, With Medical*
- Table 13 – Total Denied Claims
- Table 14 – Total Other Claims

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

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Examples of Proposed Changes to the FROI SROI CA Implementation Guide

- FROI reporting due date will be within 10 days of claim administrator knowledge of the claim.
- Trading partners will send all data to an FTP server hosted by the WCIS
- New data elements to be collected: policy number, policy effective date, policy expiration date.
- For the Social Security Number, a default value of "000000006" will be accepted if the employee has no SSN.

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Examples of Proposed Changes to the FROI SROI CA Implementation Guide

- The Payment/Adjustment Weeks and Days Paid will be Mandatory Fatal for some SROI MTCs.
- The SROI Annual and Final Reports will now be accepted if a previously reported indemnity benefit is missing in the AN or FN.
- The SROI Annual will now be accepted with error if a previously unreported indemnity benefit is reported in the AN.
- MMI Date (DN70) will only be required when the claim is closed.

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In general, please do not send the following DN85 Codes to the WCIS

- 040, 540 (unscheduled PD)
 - For permanent disability, use 030 and 530 (DN85, scheduled PD)
 - PD payments in California are currently based on the 1/1/2005 Permanent Disability Rating Schedule (PDRS).
 - <http://www.dir.ca.gov/dwc/PDR.pdf>
 - Under the 1997 PDRS, the 040 & 540 codes were appropriate in some cases.
- 410, 541 (Voc Rehab payments)
 - The Legislature repealed vocational rehabilitation payments effective 1/1/2009.
 - For Supplemental Job Placement Benefits use DN95, code 390 (Voc Rehabilitation Education paid-to-date).
- 051, 551 (temporary total catastrophic)
- 080, 580 (employer liability)

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WCIS and WCIRB

- WCIS – Workers' Compensation Information System, Division of Workers' Compensation, California Department of Industrial Relations
 - <http://www.dir.ca.gov/dwc/WCIS.htm>
- WCIRB – Workers' Compensation Insurance Rating Bureau – The WCIRB is a licensed rating organization and the designated statistical agent of the California Insurance Commissioner, California Department of Insurance.
 - <https://wcirbonline.org/wcirb/>

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WCIS and WCIRB Reporting

- We would like to ask our trading partners to consistently report claim administrator claim number to both WCIS and WCIRB.
- Reporting to the WCIS uses IAIABC standards; Reporting to WCIRB uses the CA. Workers' Compensation Uniform Statistical Reporting Plan. These two reporting mechanisms differ.
- For class code (DN 59), the WCIS collects California-specific WCIRB codes
https://wcirbonline.org/wcirb/Answer_center/classification_information.html

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Uses of WCIS Data in 2009

- Using WCIS data, the California DWC is collaborating in a research project with the U.S. Bureau of Labor Statistics, the State of Washington and the State of Massachusetts
- This project is a BLS-funded study to determine the factors that may account for the differences between reported state workers' compensation claims and the number of Occupational Safety and Health Act (OSHA) reportable injuries and illnesses reported to BLS by employers for the Survey of Occupational Injuries and Illnesses (SOII).
- The multi-source reporting project is part of the modernization of OSHA's Injury and Illness Data Collection Process.
<http://edocket.access.gpo.gov/2010/pdf/2010-10163.pdf>

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Uses of WCIS Data in 2009

WCIS data extracts were provided to various state agencies:

DIR's Division of Labor Statistics and Research, DIR's Division of Occupational Safety and Health, the Department of Public Health (Occupational Health Branch), CHSWC, and the Employment Development Department.

For the California Workers' Compensation Insurance Rating Bureau, WCIS data have been used for claim denial analysis and for monitoring permanent disability settlements since the Almaraz, Ogilvie and Guzman decisions.

Under contact with CHSWC,

- WCIS data have been provided to a researcher at Boston University to further study injury underreporting.
- The RAND Center for Health and Safety in the Workplace obtained a WCIS data extract in order to evaluate the effectiveness of California's Injury and Illness Prevention Program and Compliance Officers' Inspections Study.

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CHSWC/RAND Medical Study on the Impact of Recent Reforms: Selected Key Issues

The CHSWC/RAND study will:

- Develop measures that could be used in an ongoing system of monitoring of the cost and quality of care provided to injured workers
- Generate aggregate payment information by type of service and average payment levels for high-volume services for Medical Provider Network (MPN) and non-MPN care.
- Test a set of measures that could be used for on-going monitoring of the medical care provided to workers with back injuries.
- Assess the representativeness and reliability of the medical data (MD) reported in WCIS and compare the data to external sources of information, including the Workers' Compensation Insurance Rating Bureau and the California Department of Statewide Health Planning and Development.

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Detailed Medical Billing Data

David Henderson
Research Unit

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Uses of Medical Data

- Monitor the care injured workers receive
- Monitor the cost of various medical services
- Monitor utilization of medical services and products
- Monitor how insurers/claims administrators are following standardized treatment guidelines
- Monitor system performance by tracking medical costs and medical service delivery
- Work with the California Department of Insurance and others to detect and/or corroborate medical billing fraud

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Uses of Medical Data (cont'd)

- Identify needed fee schedule adjustments to ensure physician and other professional participation
- Provide detailed information on other medical services (e.g. pharmaceuticals, emergency rooms)
- Provide information to help develop adjustments to the existing fee schedule such as a resource based relative value payment system
- Determine if capped price and capitated services are adequate
- Compare costs on an intra-state basis

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Data Collection Medical Billing Data

April, 2010

Entities Submitting Data

➤ Senders	50
➤ Insurers	1880
➤ Claims Administrators	623

Data

➤ Claims (millions)	2.3
➤ Medical Bills (millions)	37
Bill Lines (millions)	120

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Changes to the Medical Data Collection

- Added five new data elements to be consistent with forthcoming e-billing regulations. The five new data elements reflect the switch to the National Provider Identification number as the primary identifier for medical providers.
- Added the Lump Sum Bundled Medical Lien Reporting requirements.

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Jurisdictional Codes for Bundled Bills

- MDS10 Lump sum settlement for multiple bills where the amount of reimbursement is in dispute between the claims payer and the healthcare provider.
- MDO10 Final order or award of the Workers' Compensation Appeals Board requires a lump sum payment for multiple bills where the amount of reimbursement is in dispute between the claims payer and the healthcare provider.
- MDS11 Lump sum settlement for multiple bills where liability for a claim was denied but finally accepted by the claims payer.
- MDO11 Final order or award of the Workers' Compensation Appeals Board requires a lump sum payment for multiple bills where claims payer is found to be liable for a claim which it had denied liability.
- MDS21 Lump sum settlement for a single medical bill where the amount of reimbursement is in dispute between the claims payer and the healthcare provider.
- MDO21 Final order or award of the Workers' Compensation Appeals Board requires a lump sum payment for a single medical bill where the amount of reimbursement is in dispute between the claims payer and the healthcare provider.

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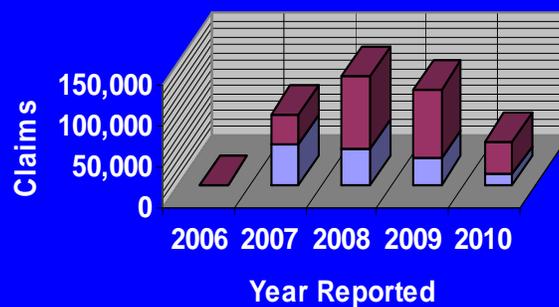
Data Quality Errors

Rank	Error Code	Message
1	039	No Match on Database
2	057	Duplicate transmission/transaction
3	058	Code/ID invalid
4	001	Mandatory field not present
5	063	Invalid event sequence/relationship
6	034	Must be \geq date of injury
7	028	Must be numeric (0-9)
8	030	Must be A-Z, 0-9, or spaces
9	040	All digits cannot be the same
10	075	Must be \leq thru service date
11	073	Must be \geq date payer received bill
12	041	Must be \leq current date
13	074	Must be \geq from date of service
14	029	Must be a valid date (CCYYMMDD)
15	064	Invalid data relationship

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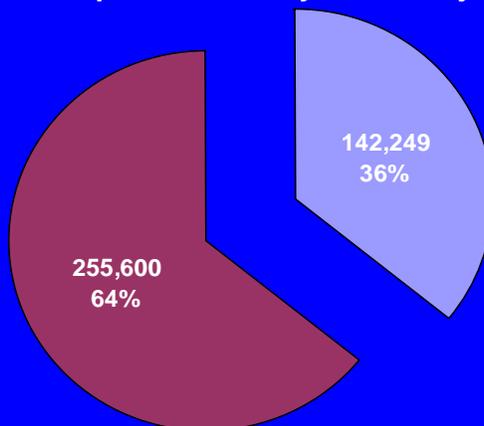
Unmatched FROI/SROI Claims

Annual Distribution of Orphan Claims



Total Orphans by Date of Injury

Total Orphan Claims by Date of Injury



- Date of Injury Before March 2000
- Date of Injury After March 2000

WCIS Administrative Penalties

George Parisotto
DWC Legal Unit

WCIS

- WCIS Administrative Penalties
- Regulatory Update
- ARI – Audit’s Annual Report of Inventory
- Employer’s First Report – AB 2181
- E-billing Update
- EAMS

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WCIS Administrative Penalties



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Regulatory Update

- Amendments to California Code of Regulations, title 8, sections 9701 and 9702
- California EDI Implementation Guide for First and Subsequent Reports of Injury, Version 3.0
- California EDI Implementation Guide for Medical Bill Payment Records, Version 1.1

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Regulatory Update

- 15-day comment period ended June 10, 2010.
- Office of Administrative Law has 30 working days to approve WCIS regulations following submission by DWC.
- Regulations become effective 12 months after OAL filing of approved regulations with Secretary of State.

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WCIS and Annual Report of Inventory (ARI) – Regulation 9702

- On and after September 22, 2006, a claim administrator's obligation to submit an ARI...is satisfied upon determination by the Administrative Director that the claims administrator has demonstrated the capability to submit complete, valid, and accurate data as required under subdivisions (b), (d), (e), and (g) and continued compliance with those subsections.

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ARI Regulations

§10104 Annual Report of Inventory

- (d)(1) A claims administrator's obligation to submit an Annual Report of Inventory under subdivision (a) of this section is waived upon a determination by the Administrative Director that the claims administrator is in compliance with the electronic data reporting requirements of the Workers' Compensation Information System, as set forth in California Code of Regulations, title 8, section 9702.

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ARI Regulations

§10104 Annual Report of Inventory

- (d)(2) Each claims administrator whose obligation to submit an Annual Report of Inventory is satisfied under subdivision (c)(1) of this section shall maintain and file with the Administrative Director an Annual Report of Adjusting Locations.

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ARI Regulations

§10104 Annual Report of Inventory

- (d)(4) The waiver granted to a claims administrator under subdivision (d)(1) of this section shall be rescinded if the total number of claims reported by the claims administrator to the Audit Unit in a claim log submitted pursuant to California Code of Regulations, title 8, section 10107.1(a) is not within one percent of the total number of claims electronically reported by the claims administrator to the Workers' Compensation Information System for the same period of time as covered in the submitted claim log.

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AB 2181 Employers' First Report, Form 5020

- AB 2181, which was signed into law by the Governor on September 30, 2008, amends Labor Code sections 6409.1 and 6410 by authorizing the Division of Workers' Compensation (DWC) to create a new employer's first report of occupational injury or illness. The new employer's report, which will replace the current Form 5020 administered by the Division of Labor Statistics and Research (DLSR), will be submitted to DWC by insurers and self-insured employers via the Workers' Compensation Information System (WCIS).

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AB 2181 Employers' First Report, Form 5020

- The changes to the Labor Code made by AB 2181 will become effective on the same day that the DWC regulations implementing the bill become effective. (A transition period of up to 18 months for employers to comply with the law is required to be part of the regulations.)

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AB 2181 Employers' First Report, Form 5020

- DWC is currently drafting the new employer's report and will begin the regulatory process, which includes the opportunity for public comment, within the next several months. Please check DWC's website on a regular basis for updates and information. If you are subscribed to DWC newslines, you will be automatically notified.
- http://www.dir.ca.gov/dwc/dwc_home_page.htm

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E-billing Update

- The use of standardized billing forms for paper billing would be mandatory 90 days after adoption of the regulations.
- Claims administrators would be required to accept submission of electronic bills 18 months after adoption of the regulations.
- The use of electronic billing by medical providers is optional under the statute and the proposed regulations.
- Upcoming 15-day Comment Period – Adoption of version 5010 for X12 standard.

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