

Goals for WCIS

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

Components of WCIS

- First Reports—FROI
- Subsequent Reports—SROI
- Medical/Bill Payment Reports

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Data Collection – First Report of Injury

	6/2007
■ Trading Partners Submitting Data	186
■ Total Number of Claims	5.8 m

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Data Collection – Subsequent Reports

6/2007

- Trading Partners Submitting Data 120
- Total Number of Claims 1.2 m

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Data Uses to Date

- BSA
- CHSWC
- DHS
- DLSR
- DOI
- DOSH
- DWC
- EDD
- LAW ENFORCEMENT
- LEGISLATURE
- RESEARCHERS
- WCIRB

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Current Programmed Reports

- ❑ Workers' Demographic and Work Characteristics
- ❑ Injuries by Part of Body, Nature, Cause
- ❑ Claims by Industry and Region; Benefit Category; Insurer Type
- ❑ Timeliness of Benefits Delivery
- ❑ Cost of Injuries

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The screenshot displays the 'Main Reports Menu' window with the following sections and options:

- Occupational Injuries and Illness**
 - By Part of Body
 - By NCCI Nature of Injury
 - By Cause of Injury
 - By SIC Industry of Employer
 - By W/CIRB Industry Group
 - By Occupation
 - By Pre-Injury Wage
 - By Length of Emplm w/ Emplr at Time of Injury
 - By Employment Status
 - By Geographic Region
 - By Gender and Age at Injury
- Nature of Injury**
 - By Age at Injury
 - By Cause of Injury
- Timeliness of Benefit Delivery**
 - By Geographic Region
 - By County
 - By NCCI Nature of Injury
- Claim No. & Dist. by Ben. Category**
 - Total Claims
 - By Benefit Category and Type of Insurers
- Duration of Disability**
 - By Gender
 - By Age at Injury
- Cost of Workers Compensation**
 - By Gender
 - By Age at Injury
 - By Benefit Category
 - By Occupation
 - By Nature of Injury

At the bottom of the window, the 'From Date' is set to 12-12-1989 and the 'To Date' is set to 12-20-2003. There are 'Report' and 'Exit' buttons.

Tables/Reports on WCIS Webpage (5/07)

Tables (by Year of Injury, 2000-2006):

- Nature of Injury
- Part of Body
- Cause of Injury
- Age and Gender
- Type of Insurer
- Age & Gender by Insurer Type

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Research Unit Analyses of PD

- Average Ratings—2005 vs. 1997 PDRSs
- Illness and Injury Incidence Rates
- Return to Work Rates
- Wage Loss Studies

See: http://www.dir.ca.gov/dwc/dwc_home_page.htm

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Current WCIS Projects

- Substitute WCIS for ARI
- Timeliness of Payments Reports
- Rule-making Changes
- Database Integration
- TP training

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IAIABC Medical Data Collection

- IAIABC Med Implementation Guide (7/02)
- CA Medical IG (2/06)
- Timelines for Regulation Approval/Compliance
- E-billing Standards

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Prospective Rulemaking Changes

- CA FROI/SROI IG
- Med Data IG
- Compliance/Penalties
- Standard Billing Forms

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Conclusions Re: WCIS

- Significant Advances
- Continuing Challenges

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THE DIVISION OF WORKERS' COMPENSATION MEDICAL DATA COLLECTION



Summary of Presentation

- Overview
- Status of Initial Reporting
- Compliance issues
 - Variances
 - Gap Adjustments
- E-Billing/Data Availability
 - Work Flow Adjustments
- Re-Promulgating the WCIS Regulations

DWC\WCIS Medical Data Collection Timeline

January 5, 2006	Public comment Period Ended
April 4, 2006	WCIS Medical Data Training Sessions at Los Angeles
April 22, 2006	WCIS Regulations are finalized by Office of Administrative Law
April 28, 2006	WCIS Medical Data Training Sessions at Oakland
June 20, 2006	WCIS Medical Data WebEx Training Sessions
September 22, 2006	Six Month Adjustment Period Ended/Reporting Begins
March 22, 2007	Six Month Type A & B Variances Ended
April 1, 2007	Adopted IAIABC Medical Lien Reporting Guidelines
May 9, 2007	WCIS Medical Lien Data WebEx Training Sessions
July 1, 2007	IAIABC Medical Lien Reporting Guidelines become effective
September 22, 2007	Twelve Month Type C Variances End

DWC MEDICAL PROJECT PERSONELL

- DWC\Research Unit
 - Bill Kahley
 - David Henderson
- DIR\Information Systems
 - Damon Chen
 - Johnny Lee
 - Elisema Cantu
 - Antoinette Esqueda
 - Benny Gee
- DIR\Information Technology
 - Rosanna Choy
 - Marcel Zukerman
 - Peter Hayman

Part I

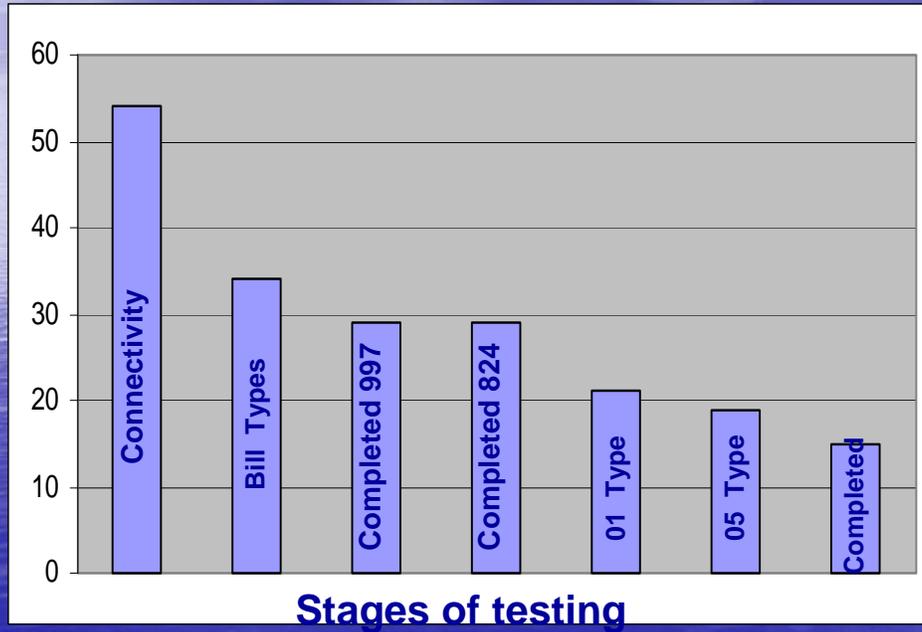
Status of Initial Reporting

- Certified Trading Partner Process
- Trading Partner Status
- Acceptance rate
- Bill Type summary
- Types of Errors
- Most Common Data Element Errors

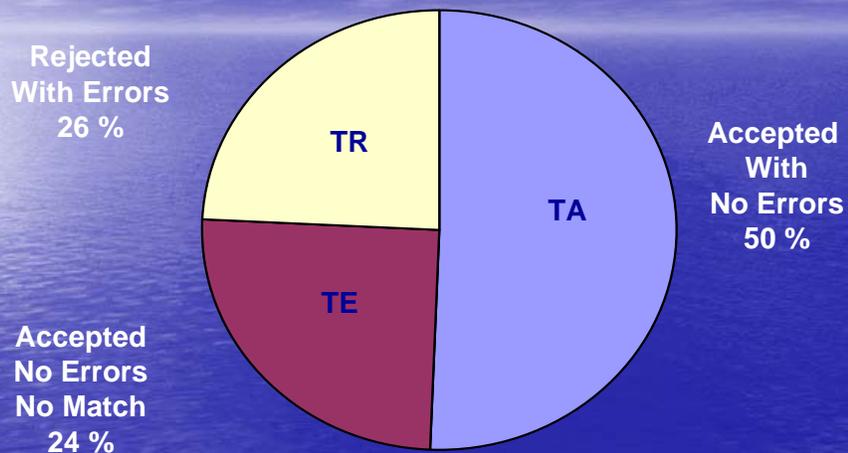
Becoming a Certified DWC Medical Data Trading Partner

- ✓ Sender submits Trading Partner Agreement
- ✓ Sender tests FTP connectivity
- ✓ Sender transmits numerous ANSI 837 bill types
- ✓ Sender receives and processes a 997 from the DWC
- ✓ Sender receives and processes a 824 from the DWC
- ✓ Sender transmits a Cancellation of bills in step 3
- ✓ Sender transmits a Replacement of a bill in step 3
- ✓ Sender becomes a Certified Trading Partner

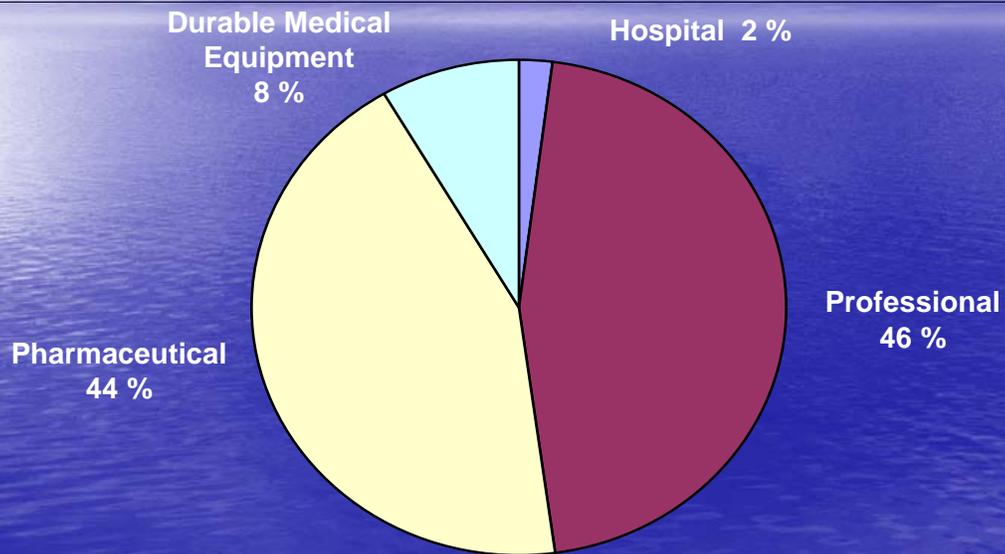
Trading Partner Status Summary



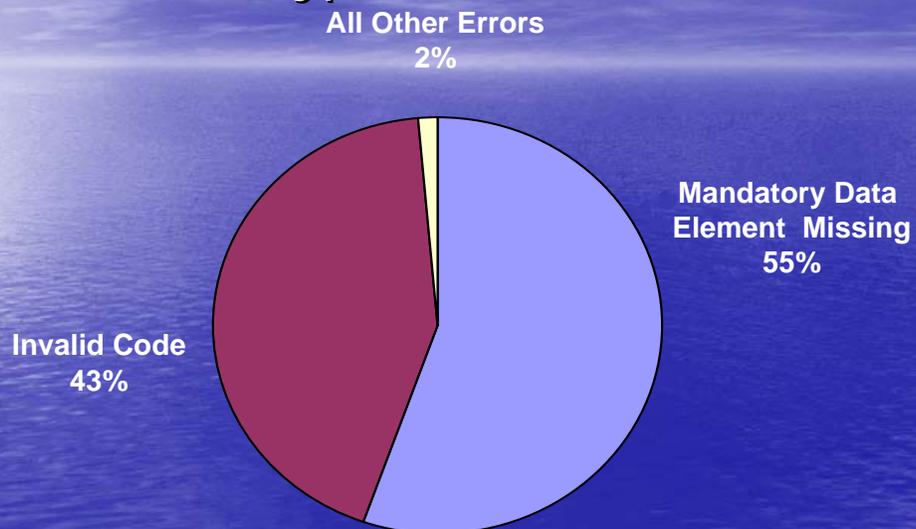
Acceptance Rate



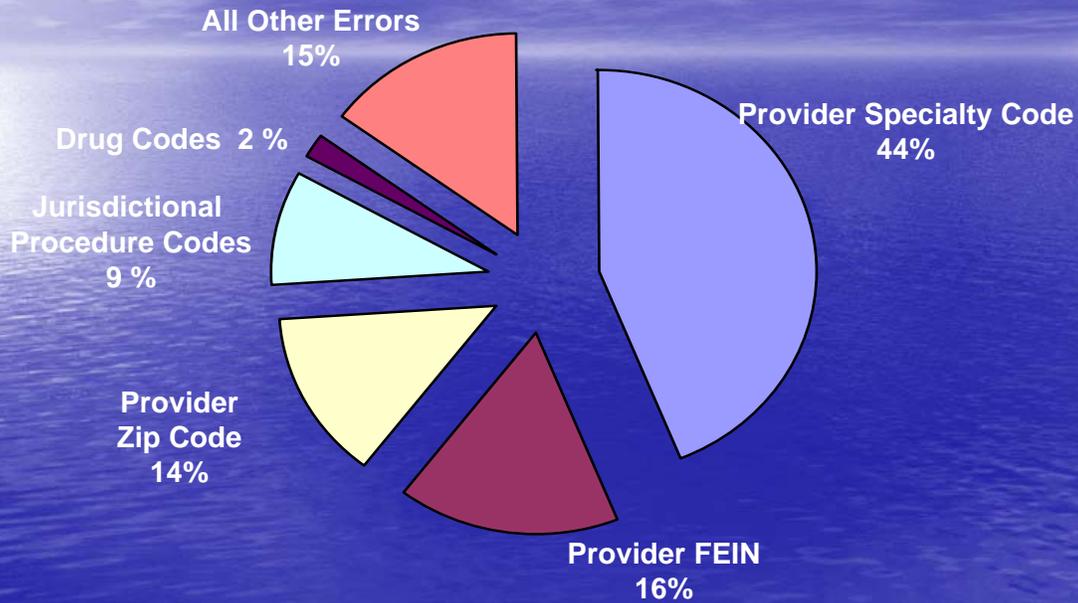
Bill Type Summary



Types of Errors

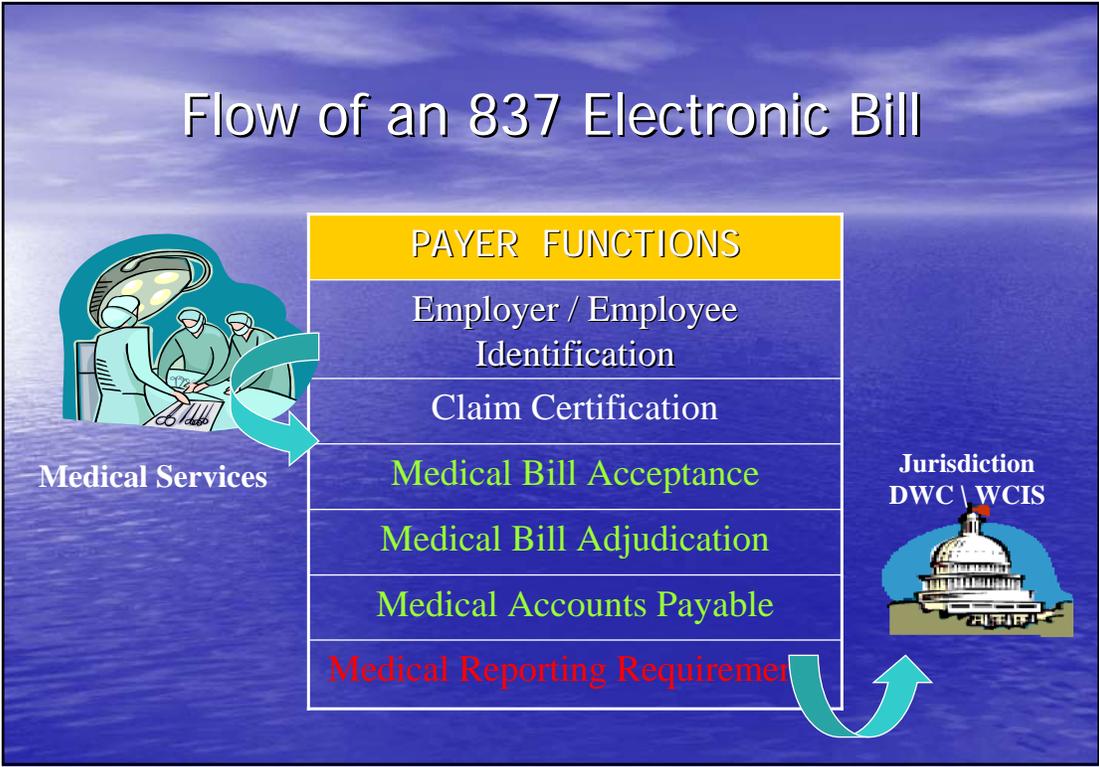
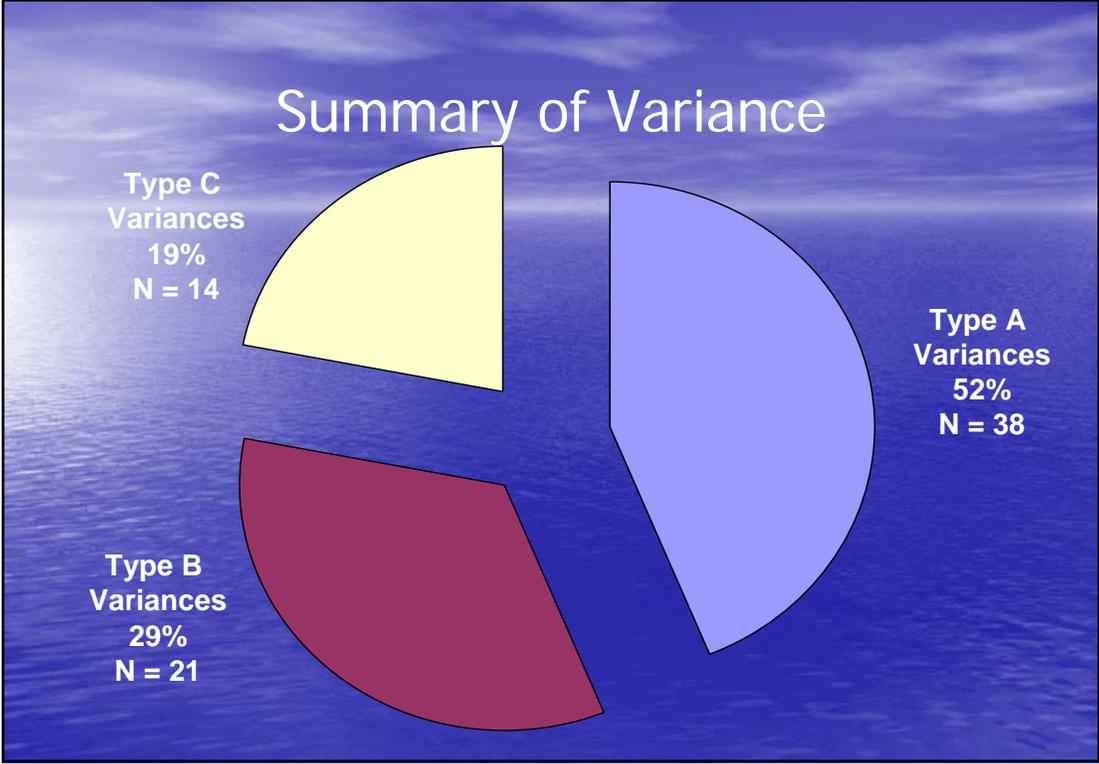


Most Common Data Elements With Errors



Part II Compliance issues

- Types of Variances
- Medical Bill Work Flow
- Gap Analysis
- Work Flow Adjustments
- Out Sourcing Requirements
- Medical Lien Bill Reporting



Gap Analysis for Compliance

Developing a comprehensive EDI system

Utilize a process oriented approach

- ✓ How work is defined
- ✓ How work is allocated
- ✓ How work is scheduled
- ✓ How work is sequenced/flow
- ✓ How work is routed between activities

Where are the Trading Partners?

- Get to know the basic requirements
- Assign responsibilities for implementing medical EDI
- Decide whether to, or not to, contract with an EDI service provider
- Make sure your computer system contains all the required data

Where the Trading Partners now?

- ✓ Assigned a “point person” for your office?
- ✓ Completed an Action Plan?
- ✓ Work toward completing your Gap Analysis?
- ✓ Communicated with vendors or the DWC concerning September 22, 2006?
- ✓ Tested Internally?
- ✓ Scheduled External Testing?
- ✓ Staying abreast of upcoming requirements?

Questions For Trading Partners Out Sourcing to a Software Vendor

- What software updates are needed for DWC\WCIS compliance?
- What release (version, patch) of your product supports the claim (837) and remittance (835) transactions?
- What are your service level agreements for continued support?
 - New versions of transactions
 - Newly mandated transactions
- Will you support the required code sets?
- How much lead time is required to install and test the software?
- What is the minimum hardware requirement for servers and workstations to run the IAABC compliant claim version?

Summary Of Reporting Requirements

1. Report zero payment denied bills.
2. Required to report “bundled” lien payment as a “new” bill utilizing one of the four California adopted IAIABC codes.
 1. MDS10
 2. MDS11
 3. MDO10
 4. MDO11

Summary of Reporting Timeline (Based on Dates of Service)

- ✓ All non lien zero pay bills ($\$=0$), with dates of service of 9-22-2006 or later, are reportable from 9-22-2006.
 - ✓ Unless a variance was granted
- ✓ All lien zero pay bills ($\$=0$), with dates of service of 9-22-2006 or later, are reportable from 9-22-2006.
 - ✓ Unless variance was granted
- ✓ Applicable as defined by the four California adopted codes within IAIABC IRR:MED547R1.0 “bundled” lump sum bill lien payments ($\$>0$), with dates of service of 7-1-2007 or later, are reportable.

E-Billing Data Availability

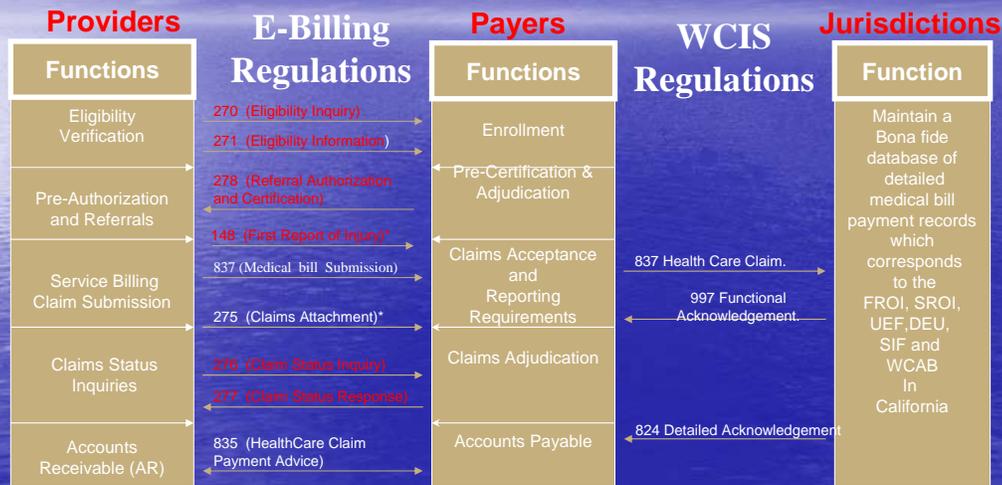
- Flow of e-billing Information
- National Model
- Standard File Structures
- Flow of electronic Information to WCIS
- Sources of data

Implementation of DWC\WCIS Medical Transactions

Direct Exchange Between Providers and Insurers



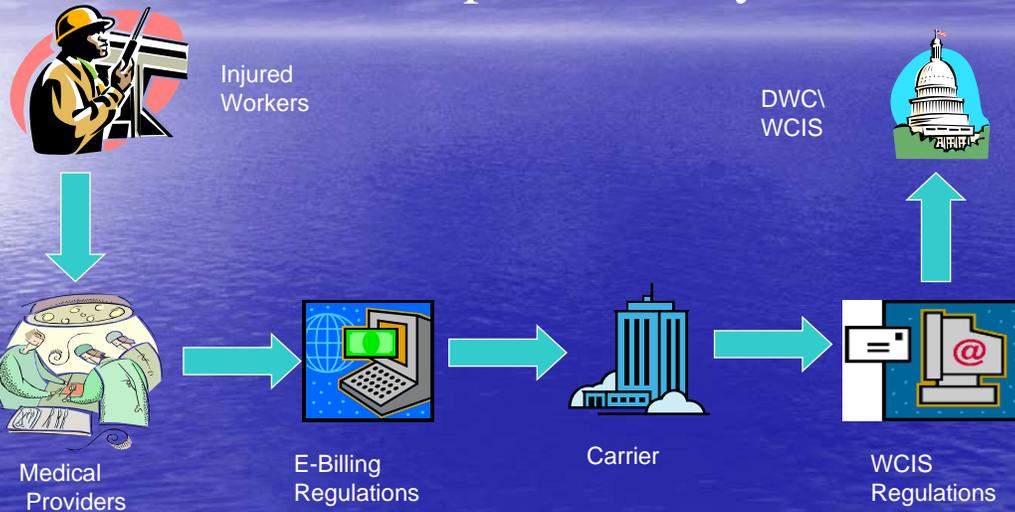
The Nationally Accepted EDI Medical Data System



Standard ANSI Files

- 275 (Claims Attachments)
- 835 (Claim payment and remittance)
- 837 (Coordination of Benefits)

Flow of Medical Data in the California Workers Compensation System



Sources of Data for 837



Part IV Re Promulgating Medical Portion of Regulations

- Existing regulations
- IAIABC Guidelines
- California Specific Guidelines

WCIS regulations – 8 CCR §9701-9703

- 9701 Definitions
- 9702 Electronic Medical Data Reporting
 - 150 or more total claims per year
 - Variance language
 - Partial Variance
 - Total Variance
 - Required Data Elements
- 9703 Access To Individually Identifiable Information



IAIABC EDI IMPLEMENTATION GUIDE

for

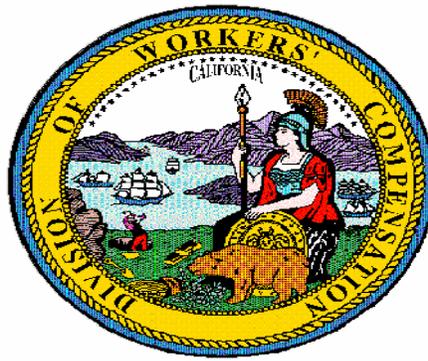
Medical Bill Payment Records

Release 1

July 4, 2002

International Association of Industrial Accident Boards and Commissions

WWW.IAIABC.ORG



www.dir.ca.gov

**Workers' Compensation Information System
(WCIS)**

California EDI Implementation Guide

for

Medical Bill Payment Records

Version 1.0

December 2005

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Current WCIS Projects

WCIS Advisory Committee Meeting

Monday, June 18, 2007
Oakland, California

TP Profile

Labor Code Regulation § 9702

Electronic Data Reporting

(k) Each claims administrator required to submit data under this section shall submit to the Administrative Director (AD) an EDI Trading Partner Profile at least 30 days prior to its first transmission of EDI data. Each claims administrator shall advise the AD of any subsequent changes and/or corrections made to the information provided in the EDI Trading Partner Profile by filing a corrected copy of the EDI Trading Partner Profile with the AD.

CA Implementation Guide, page F-2

The WCIS uses the claim administrator FEIN to process individual transactions. Transactions for unknown claim administrators will be rejected by WCIS. For this reason, it is vital for each WCIS Trading Partner Profile to be accompanied by a list of all claim administrator FEINs whose data will be reported under a given Sender ID.

3

Reject claims from senders not on look-up table

- We are currently putting together the look-up table of senders and their associated ID lists.
- We will begin testing soon.

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Timeliness of Payments Reports

Labor Code Regulation § 9703

Access to Individually Identifiable Information

(b) The DWC may obtain and use individually identifiable information for the following purposes:

(3) To report the promptness with which claims administrators make payments.

Timeliness of Payments

Timeliness of Payments Report							
For Injuries Occurring During Q1- 2004 & Q1-2005							
		# VALID CLAIMS		Average # Days		Cum % Reported Within 5 Days of DDB, Emplr & Claim Admin Knowledge	
		Q1 2004	Q1 2005	Q1 2004	Q1 2005	Q1 - 2004	Q1 - 2005
1	Date of Injury (DN31) to Date Disability Began (DN56)	3,846	1,521	7.2	3.9	78.7	84.9
2	Date of Injury (DN31) to Date of Employer Knowledge (DN40)	141,151	130,499	2.6	2.2	88.0	89.5
3	Date of Injury (DN31) to Date Claim Administrator Knowledge (DN41)	142,780	132,224	8.1	7.3	57.4	60.1
4	Date of Employer Knowledge (DN40) to Date Disability Began (DN56)	3,822	1,505	4.7	2.7	83.2	89.6
	<i>(Positive values for no. days)</i>	3,266	1,364	6.7	3.3		
5	Date Disability Began (DN56) to Date of Claim Administrator Knowledge (DN41)	3,842	1,521	0.5	2.0	75.4	79.4
	<i>(Positive values for no. days)</i>	2,972	1,190	5.0	5.0		
6	Date of Employer Knowledge (DN40) to Claim Administrator Knowledge (DN41)	141,130	130,484	5.4	5.0	69.4	71.6
	<i>(Positive values for no. days)</i>	139,414	129,526	5.6	5.1		

Timeliness of Payments (continued)

		# VALID CLAIMS		Average # Days		Cumulative % Reported Within 20 Days of First Indemnity Payment	
		Q1 2004	Q1 2005	Q1 2004	Q1 2005	Q1 - 2004	Q1 - 2005
7	Date of Injury (DN31) to Date of First Indemnity Payment	7,888	9,774	23.5	21.4	60.8	64.7
8	Date Disability Began (DN 56) to Date of First Indemnity Payment	1,824	1,499	18.0	16.4	74.3	80.7
9	Date of Employer Knowledge (DN40) to Date of First Indemnity Payment	7,823	9,719	22.1	20.5	64.8	68.5
10	Date of Claim Administrator Knowledge (DN41) to Date of First Indemnity Payment	7,834	9,747	18.2	16.2	74.5	77.6

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Timeliness of Payments Reports

- Reports will first be produced for claims administrators who are insurance companies, by insurance group.
- These reports will be posted on the DWC website.

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Timeliness of Payments Reports

- 5 quarters + Summary
 - 2006 (Q1,Q2,Q3,Q4); 2007 Q1
- 3 dates
 - Date of Injury to Initial Payment (IP)
 - Date of Employer Knowledge to IP
 - Date of Claims Administrator Knowledge to IP
- 18 tables per Insurance Company

Date of Injury to Date of Initial Payment (IP)

TABLE 1. Occupational Injuries and Illnesses: _____ by Claim Administrator
 Claims where Date of Injury (DN 31) Occurs During the First Quarter of 2006 (Date of Creation from 1/1/2006 - 4/20/2006)
 Date of First Indemnity Payment using earliest MTC date for benefit type code where MTC = IP
 Excludes Denials (MTC=04) and Acquired Claims (MTC = AU AP)
 WCIS-PWC System: Total Claims 5,796,407 - Data as of 6/15/07

CA_FEN	CLAIM_ADMINISTRATOR	A Total Claims	B % to total Claims	C Cum % to Total Claims	D Total Indemnity	E Percent to Total Indem	F-D/A % Indem to Total Claims	G Median Days	H Average Days	I 0-14 Days	J 15-21 Days	K 22-28 Days	L Over 28 Days	M %Clms_Paid 0-14Days	N %Clms_Paid 15-21Days	O %Clms_Paid 22-28Days	P %Clms_Paid >28Days
1																	
2																	
3																	
4																	
5																	
6																	
7																	
8																	
9																	
Totals Claims, Average Days, and % to Indemnity Claims																	

Date of Claim Administrator Knowledge to Date of Initial Payment (IP)

TABLE 1. Occupational Injuries and Illnesses: _____ by Claim Administrator
 Claims where Date of Injury (DN 31) Occurs During the First Quarter of 2006 (Date of Creation from 1/1/2006 - 4/20/2006)
 Date of First Indemnity Payment using earliest MTC date for benefit type code where MTC = IP
 Excludes Denials (MTC = 04) and Acquired Claims (MTC = AJ,AP)
 WCIS-PWC System: Total Claims 5,796,407 - Data as of 6/15/07

CA, FEIN	CLAIM_ADMINISTRATOR	A	B	C	D	E	F=D/A	G	H	I	J	K	L	M	N	O	P
		Total Claims	% to total Claims	Cum % to Total Claims	Total Indemnity	Percent to Total Indem	% Indem to Total Claims	Median Days	Average Days	0-14 Days	15-21 Days	22-28 Days	Over 28 Days	%Clms_Paid 0-14Days	%Clms_Paid 15-21Days	%Clms_Paid 22-28Days	%Clms_Paid >28Days
1																	
2																	
3																	
4																	
5																	
6																	
7																	
8																	
9																	
Totals Claims, Average Days, and % to Indemnity Claims																	

Date of Claim Employer Knowledge to Date of Initial Payment (IP)

TABLE 1. Occupational Injuries and Illnesses: _____ by Claim Administrator
 Claims where Date of Injury (DN 31) Occurs During the First Quarter of 2006 (Date of Creation from 1/1/2006 - 4/20/2006)
 Date of First Indemnity Payment using earliest MTC date for benefit type code where MTC = IP
 Excludes Denials (MTC = 04) and Acquired Claims (MTC = AJ,AP)
 WCIS-PWC System: Total Claims 5,796,407 - Data as of 6/15/07

CA, FEIN	CLAIM_ADMINISTRATOR	A	B	C	D	E	F=D/A	G	H	I	J	K	L	M	N	O	P
		Total Claims	% to total Claims	Cum % to Total Claims	Total Indemnity	Percent to Total Indem	% Indem to Total Claims	Median Days	Average Days	0-14 Days	15-21 Days	22-28 Days	Over 28 Days	%Clms_Paid 0-14Days	%Clms_Paid 15-21Days	%Clms_Paid 22-28Days	%Clms_Paid >28Days
1																	
2																	
3																	
4																	
5																	
6																	
7																	
8																	
9																	
Totals Claims, Average Days, and % to Indemnity Claims																	

Annual Report of Inventory (ARI) and the WCIS

Labor Code Regulation § 9702

Electronic Data Reporting

- (i) (3) On and after 9/22/06, a claims administrators obligation to submit an Annual Report of Inventory...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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Compare WCIS & ARI Data, 2006

- Audit processes ARIs, which are submitted by all adjusting locations for new claims reported in 2006
- WCIS data showing # of new indemnity, denied and medical-only claims reported by each trading partner at each of its locations.

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ARI Waiver

- Which trading partners deserve a “waiver” to forego reporting the paper ARI to the Audit Unit in April 2008?
- A plus or minus 10% variance between the data reported in the paper ARI and the electronic WCIS is currently being considered as the threshold.
- If outside the variance, the trading partner has to continue to report both ways.

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FROI/SROI Issues

WCIS Advisory Committee Meeting

Monday, June 18, 2007

Oakland, California

Changes in 2006

- Add SIC/NAICS Industry Codes (DN 25)
- 15 Days for SROI Data Submission
- Remove Release 2 language from regulations and CA Implementation Guide

Industry Codes: DN 25

Year	TOT_CLAIMS	IND_NOT_NULL	INDUSTRY_NULL	
2000	361,519	1,531	359,988	
2001	640,760	6,050	634,710	
2002	1,117,242	7,839	1,109,403	
2003	839,654	11,756	827,898	<i>Last 3 years, Compliance Rate (%)</i>
2004	851,110	17,003	834,107	
2005	804,722	22,945	781,777	2.8%
2006	856,787	217,376	639,411	25.4%
2007	297,578	226,189	71,389	76.0%
sum	5,769,372	510,689	5,258,683	
	100 %	8.9%	91.1%	

FROI/SROI Task Force

- 10 Meetings from July 2006 through January 2007
- Participation grew over time: ~25 => ~50
- WEBEX meetings sponsored by The Zenith Corporation
- The WCIS team at DWC thanks Zenith and all participants for your support and your assistance.

FROI/SROI Task Force

Composition of WCIS FROI SROI Task Force

Some participants fit into multiple categories.

	Count
Self-administered insurer	20
Self Insurer	5
TPA	15
Self-insured, self-administered employer	1
Vendor	2
Other	8

FROI/SROI Task Force

- WCIS FROI/SROI Survey (Aug., Oct.)
 - 30 respondents – WCIS
 - 22 respondents - DFRs
- Many suggestions for improvements and clarifications to the CA Implementation Guide - Simplify FROI-SROI reporting
- Presentation on Release 3 (Jan. 2007)
 - Laurie Raby, Michigan and Linda Yann, Florida

FROI/SROI Task Force

- Reporting to the WCIS via FTP
- Eliminating paper
 - Employer's First Report (5020)
 - Doctor's First Report (5021)
 - Audit – Annual Report of Inventory
- Aids to make the CA IG more user-friendly
 - EXCEL spreadsheets
- Improve communication with Trading Partners (update FAQs, training)

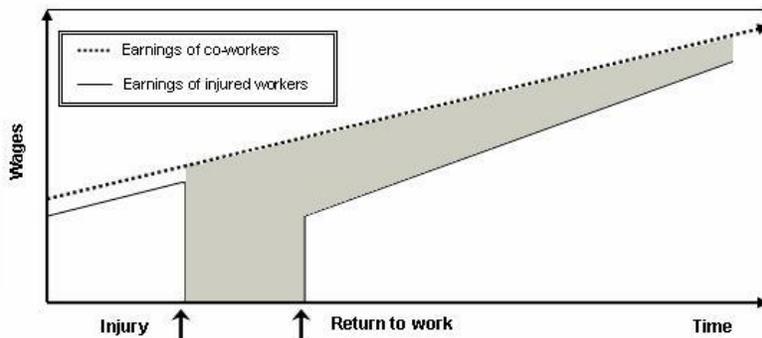
SROI Reporting

- Data quality issues
- How to improve SROI reporting?
- Matching with other databases
 - Wage (EDD) – missing WCIS? Inaccurate?
 - PD Indemnity Claims (DEU)
- PD reports:
- <http://www.dir.ca.gov/dwc/>

Indemnity Benefit Adequacy

- One of the mandates of WCIS is to assess benefit adequacy.
- SB 899 – Future Earnings Capacity => Total and Uncompensated Wage Loss
- When TD and PD are not reported to the WCIS,
 - it will look like workers are being paid less in benefits than they actually are.
 - these payments will show up as an “uncompensated wage loss.”

Total wage loss



Uncompensated wage loss (in this graph, accounting for TD only)

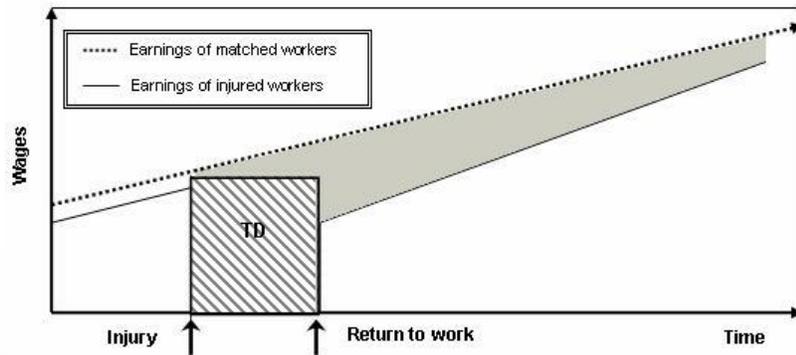


Figure 1

Estimated Wage Loss for Permanently Disabled Workers Injured in 2002

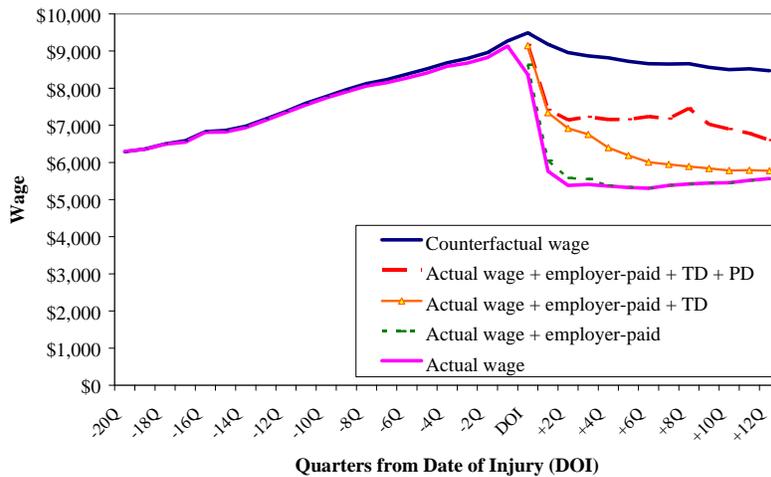
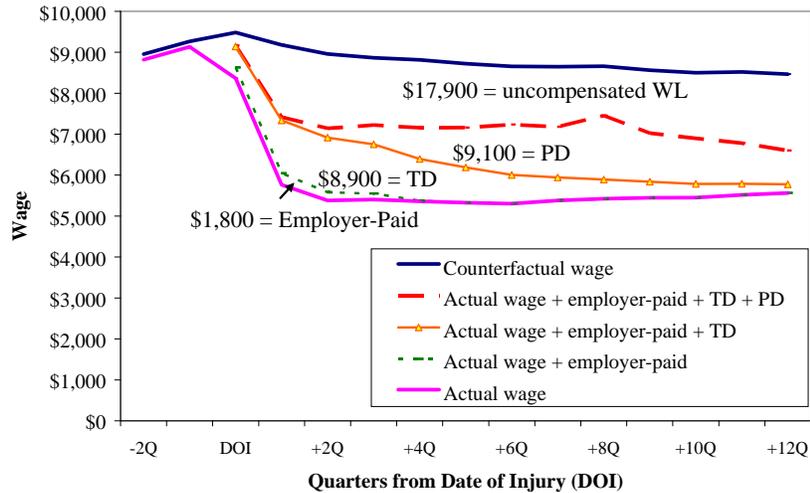


Figure 1

Estimated Wage Loss for Permanently Disabled Workers Injured in 2002:
Total Wage Loss = \$37,700



SROI Reporting Incomplete

- PD analysis: Match DEU-WCIS claims (DOI 2002)
 - PD rating > 0; Expect ~95%, PD payments > \$0
- 45 “good SROI reporters”
 - Each of the claims administrators must have handled at least 50 PD claims in 2002 and submitted indemnity data to the WCIS for at least 80 percent of the indemnity claims handled by the claims administrator.
- 80% for good reporters, PD payments > \$0

Major Issues

- Simplify FROI-SROI reporting
- Class codes
- Benefit sequencing logic
- AN, FN rejections
- Medical Data – liens, aggregate medical data (BTC 350..)
- Keeping Trading Partner Profiles Updated
(?Should CA DWC send reminders?)
- Duplicate Claims and Matching Rules
- Improve Acknowledgment Turnaround Time

Next Steps

- Update CA Implementation Guide
- Address Major Issues
- Working Group

Questions/Comments

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