

**STATE OF CALIFORNIA  
DEPARTMENT OF INDUSTRIAL RELATIONS  
Division of Workers' Compensation**

**NOTICE OF MODIFICATION OF TEXT OF PROPOSED REGULATIONS**

**Subject Matter of Regulations:  
Workers' Compensation – Workers' Compensation Information System**

**TITLE 8, CALIFORNIA CODE OF REGULATIONS,  
SECTIONS 9701-9702**

**NOTICE IS HEREBY GIVEN** that the Acting Administrative Director of the Division of Workers' Compensation, pursuant to the authority vested in him by Labor Code sections 133, 138.6, and 138.7, proposes to modify existing regulations, by amending Article 1.1, Subchapter 1 to Chapter 4.5 of California Code of Regulations, title 8, sections 9701 and 9702, relating to the Workers' Compensation Information System.

**PROPOSED REGULATORY ACTION**

The Division of Workers' Compensation proposes to modify existing regulations by amending Article 1.1, Subchapter 1 to Chapter 4.5 of California Code of Regulations, title 8, sections 9701 and 9702, relating to the Workers' Compensation Information System:

Amended section 9701	Definitions
Amended section 9702	Electronic Data Reporting

**PRESENTATION OF WRITTEN COMMENTS AND DEADLINE FOR SUBMISSION OF  
WRITTEN COMMENTS**

Members of the public are invited to present written comments regarding these proposed modifications.

**Only comments directly concerning the proposed modifications to the text of the regulations will be considered and responded to in the Final Statement of Reasons.**

Written comments should be addressed to:

Maureen Gray  
Regulations Coordinator  
Department of Industrial Relations  
P.O. Box 420603  
San Francisco, CA 94142

The Division's contact person must receive all written comments concerning the proposed modifications to the regulations no later than 5:00 p.m. on June 9, 2016. Written comments may be submitted via facsimile transmission (FAX), addressed to the above-named contact person at (510) 286-0687. Written comments may also be sent electronically (via e-mail) using the following e-mail address: [dwcrules@dir.ca.gov](mailto:dwcrules@dir.ca.gov).

Due to the inherent risks of non-delivery by facsimile transmission, the Acting Administrative Director suggests, but does not require, that a copy of any comments transmitted by facsimile transmission also be submitted by regular mail.

**Comments sent to other e-mail addresses or facsimile numbers will not be accepted. Comments sent by e-mail or facsimile are subject to the deadline set forth above for written comments.**

## **AVAILABILITY OF TEXT OF REGULATIONS AND RULEMAKING FILE**

Copies of the original text and modified text with modifications clearly indicated, and the entire rulemaking file, are currently available for inspection at the Department of Industrial Relations, Division of Workers' Compensation, 1515 Clay Street, 17<sup>th</sup> Floor, Oakland, California 94612, between 9:00 A.M. and 4:30 P.M., Monday through Friday. Please contact the Division's regulations coordinator, Ms. Maureen Gray, at (510) 286-7100 to arrange to inspect the rulemaking file.

## **FORMAT OF PROPOSED MODIFICATIONS**

### **Proposed Text Noticed for 45-Day Comment Period:**

All language was new and was therefore presented in plain text, thus: added language. Deletions are indicated by strikeout, thus: ~~deleted language~~.

### **Proposed Text Noticed for 15-Day Comment Period on Modified Text:**

The proposed text was indicated by underlining, thus: added language. Deletions are indicated by strikeout, thus: ~~deleted language~~.

## **SUMMARY OF PROPOSED CHANGES**

### **1. Section 9701.**

In subsections (b)(2) and (3), the period "six months" was changed to "12 months." This change was made in response to stakeholder comments.

### **2. Section 9702.**

In subsection (c), table footnote 5, the words "and canceled" were added before the words "first report." In subsection (c), table footnote 6, the phrase, "except canceled first report transmissions under subdivision (b)" was added to the end of the sentence. In subsection (c), table footnote 9, "first transmissions" was replaced with "reports," and the following phrase was added between the words "reports" and "under": "and denied, changed and corrected reports for claims that have been previously acquired."

In subsection (h), in the first sentence, the word "claims" was added between the words "or" and "where." In the second sentence of subsection (h), the phrase "or non-indemnity benefit only" was added between the words "medical-only" and "claims."

These changes were made in response to stakeholder comments.

### **3. California EDI Implementation Guide for First and Subsequent Reports of Injury (FROI/SROI).**

On the front cover and second page, “Destie Overpeck, Administrative Director” was replaced with “George Parisotto, Acting Administrative Director,” to reflect recent personnel changes at the Division. In the footer of the document, the “effective date” was changed from six to 12 months following the date the regulations are approved by the Office of Administrative Law (OAL), in response to requests from stakeholders. The date on the second page was also updated.

In Section E, the paragraph with the heading “WCIS Penalty Regulations” was deleted in response to stakeholder comments.

In Section G, under the heading, “Data Completeness and Accuracy Quality Requirements,” under the first bullet point, the following language was added: “For FROI reports, 95% of FROI should be submitted and accepted (Application Acknowledgment codes TA or TE), within 10 business days of the Date Reported to Claim Administrator (DN 41). SROIs should be submitted within 15 business days of the triggering event.” Under the second bullet point, the language “At least 95% of transmitted reports should be free of any uncorrected errors in mandatory/fatal and conditional/fatal data elements” was replaced with the following: “For FROI and SROI reports, of the reports accepted (Application Acknowledgment codes TA and TE), no more than 5% should have an uncorrected TE (Application Acknowledgment code = TE).” In the following sentence, the percentage was change from 90 to 95. These changes were made in response to stakeholder comments.

In Section J, in the charts on page 53 and 54 regarding First and Subsequent Reports of Injury for claims after 2000, for MTC CO, the time period for reporting was changed from 30 to 60 calendar days, in response to comments from stakeholders.

In Section K, on page 59, in the chart entitled “Data Requirements for First Reports of Injury,” for data element 0031, in the 01 Cancel column, “M/E” was changed to “O,” for data element 0032, in the Acquired/Unallocated AU column, “C/S” was changed back to “O,” and for data element 39, in the 00 Original, Acquired/Unallocated AU, Denial 04 and Change, Correction 02, CO columns, “C/S” was changed back to “O.” In the same chart, on page 60, for data element 0052, in the Cancel 01 column, “M/F” was changed back to “O.” For data element 0059, in the Original 00, Acquired/Unallocated AU and Change, Correction 02, CO columns, “M/S” was changed to “C/S.” For data element 0062, in the Original 00, Acquired/Unallocated AU, Denial 04 and Change, Correction 02, CO columns, “M/S” was changed back to “C/M.” For data element 0063, in the Original 00, Acquired/Unallocated AU, Denial 04 and Change, Correction 02, CO columns, “M/S” was changed back to “C/S.” On page 61, in the chart entitled, “FROI Conditional Rules and Implementation Notes,” for data element 0032, qualifications for formerly mandatory reporting were added. In the same chart, on page 62, for data element 0039, the language in the “explanation” column was deleted. In the same chart, on page 64, for data element 0063, the language in the “explanation” column, which had been deleted, was added back in. On page 66, the “notes” section at the bottom of the page was deleted. On page 68, the following note was added to the bottom of the page: “\*\*\* The SROI Date Disability Began (DN56) is defined by DWC as the first date of lost time for the current benefit period.” On page 70, in a chart entitled “SROI Conditional Rules and Implementation Notes,” for data element 0056, the symbol “<” was changed to “≤” in the notes column and for data element 0070, the words “and closing” were deleted from the notes column. The chart continues on page 71, where reference to “DN85” was stricken from the notes

column for data elements 0083 and 0084. The chart continues on page 72, where the symbol “<” was changed to “≤” in the notes column for data elements 0088 and 0089. These changes were made in response to stakeholder comments.

In Section M, on page 88, under the heading entitled, “Changed or Corrected Data,” the period for reporting was changed from 30 to 60 days, in response to stakeholder comments. On page 91, in the chart at the bottom of the page, the rows for MTC Codes AN and FN were deleted, along with the associated footnote. On page 92, in the chart under the heading, “Other,” a column was added for MTC AN, including a footnote regarding indemnity claims. On page 93, in the second paragraph, the language “, less any advances already paid” was added to the end of the first sentence. At the bottom of page 93, following the heading entitled, “Periodic Reports,” a footnote regarding indemnity claims was added to MTC Code AN. These changes were also made in response to stakeholder comments.

In Appendix A, in item 17, the words “Initial Treatment (DN39)” and MTC Code AU were deleted, in response to stakeholder comments.

In item 18, the words “and closing” were deleted twice, in response to stakeholder comments.

In item 22, the reporting period was changed from 30 to 60 days, in response to stakeholder comments.

In item 23, the number “04” was replaced with the following language, in response to stakeholder comments: “Denial (MTC=04), and Conditional/Serious on FROI Original (MTC=00). Acquired (MTC=AU), and Change/Correction (02, CO).”

In item 24, the words “FROI AU” were added prior to the words “SROI IP,” in response to stakeholder comments.

In item 26, the symbol “<” was replaced with “≤,” in response to stakeholder comments.

Item 28 was deleted, at stakeholder request, resulting in renumbering of the items which follow.

In new item 28 (formerly 29), the words “Cancel (MTC=01),” was deleted, in response to stakeholder comments.

In new item 29 (formerly 30), the first sentence was deleted, in response to stakeholder comments.

In Appendix B, the entry regarding Section E was deleted, in response to stakeholder comments.

In the entry regarding Section J, the timing for reporting was changed from 30 to 60 days, in response to stakeholder comments.

In the entry regarding Section K, reference to the following data elements were deleted, in response to stakeholder comments: Wage (DN 62), Wage Period (DN 63) and Initial Treatment (DN 39).

#### **4. California Electronic Data Interchange (EDI) Implementation Guide for Medical Bill Payment Records, Version 2.0.**

On the title page and on introductory page (ii), the name of the Acting Administrative Director was changed from “Destie Overpeck” to “George Parisotto” to reflect recent personnel changes at the Division.

In section II, on page 7, “\_5 digit zip” was added after “Sender/Receiver ID: (Use Master FEINs),” for clarification. On page 11, the language “The DN0100 — Date Transmission Sent in the BHT segments of the 837 Transmission must have the same value as the date in the ISA09 interchange date and GS04 date in the 837 headers where the standard format is CCYYMMDD. The DN101 – Time Transmission Sent in the BHT segment(s) of the 837, must have the same value as the item in the ISA10 interchange time and GS05 Time in the 837 headers where the standard format is HHMM” was replaced with, “The ISA09 interchange date of the 837 must have the same value as GS04 Time in the 837 headers. The ISA10 interchange time of the 837 must have the same value as GS05 Time in the 837 headers,” to increase accuracy in the reported information.

In section VII, on page 47, in the Medical Data Elements Requirement Table, for data element 0525, the word “surgical” was replaced with the language, “when a procedure is performed,” for accuracy. On the same page, for data element 0528, “M” was added to the “Cancellation” column, also for accuracy.

In section IX, on page 72, DN0016 was replaced with DN0508 as a way to match data between incoming and existing bills, to improve the accuracy of matching. On page 75, under the heading, “Repackaged drug reporting,” the language “LIN segment in the 2410 loop” was replaced with “SV1 segment in the 2400 loop,” to improve the accuracy of the data to be reported. In the “Lien Bills Data Element Requirement Table,” on page 77, for data element 0528, “NA” was replaced with “M” in the “Cancellation” column. In addition, data elements 0538 and 0540 were added. These changes are necessary to maintain file integrity.