

## N E W S L I N E

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### **DWC Issues Notice of Public Hearing on July 14 for Proposed Workers' Compensation Information System (WCIS) Electronic Data Interchange (EDI) Reporting Regulations**

The Division of Workers' Compensation (DWC) has issued a notice of public hearing for proposed Workers' Compensation Information system (WCIS) Electronic Data Interchange (EDI) reporting regulations. The public hearing has been scheduled for 10 a.m., Monday, July 14, 2014, in the auditorium of the Elihu Harris State Office Building, 1515 Clay Street, Oakland, CA 94612. Members of the public may also submit written comments on the regulations until 5 p.m. that day.

Labor Code section 138.6 requires the Administrative Director of the DWC to develop a cost-efficient WCIS to accomplish four objectives:

1. Assist the Department of Industrial Relations to manage the workers' compensation system in an efficient and effective manner.
2. Facilitate the evaluation of the efficiency and effectiveness of the benefit delivery system.
3. Assist in measuring how adequately the system indemnifies injured workers and their dependents.
4. Provide statistical data for research into specific aspects of the workers' compensation system.

The statute requires that the data collected electronically by the WCIS be compatible with the EDI system of the International Association of Industrial Accident Boards and Commissions (IAIABC). The statute further directs the Administrative Director to adopt regulations specifying the data elements to be collected by EDI.

The initial regulations implementing Labor Code section 138.6 (California Code of Regulations, title 8, sections 9700 – 9704) became operative November 5, 1999. The regulations were amended in April 2006, primarily to require the electronic reporting of medical bill payment data. In 2010, the regulations were amended again to refine WCIS reporting by eliminating unnecessary data elements, adding relevant data elements,

correcting errors in the text of the regulation, adding lien payment data elements for medical bill payment reporting, and updating the two California-specific implementation guides. The California EDI Implementation Guide for First and Subsequent Reports of Injury and the California EDI Implementation Guide for Medical Bill Payment Records, in conjunction with the more comprehensive guides issued by the IAIABC, explain how the data transmission is accomplished, explain how to edit data transactions, provide the required codes for transmitting data, and set forth the system specifications. Currently, workers' compensation claims administrators adjusting approximately 95 percent of all workers' compensation claims in the State are electronically reporting claim data information to WCIS.

The IAIABC is again updating its Medical Bill Data Reporting guidelines, moving from version 1.1 to Release 2.0. Correspondingly, the California EDI Implementation Guide for Medical Bill Payment Records is being updated to be consistent with IAIABC's Medical Bill Data Reporting Implementation Guide, Release 2.0. It is therefore necessary to also revise sections 9701 and 9702 of Title 8 of the California Code of Regulations, concerning transmittal of EDI to WCIS so that these regulations will not be inconsistent with the revised California EDI Implementation Guide for Medical Bill Payment Records and the IAIABC's Medical Bill Data Reporting guidelines, Release 2.0.

These proposed regulations implement, interpret, and make specific Labor Code section 138.6, which mandates the development of the WCIS, requires data to be collected electronically to be compatible with the IAIABC EDI system, and requires data elements to be collected through EDI to be set forth in regulations. Changes in certain regulatory definitions and in the data elements to be reported have been proposed to bring WCIS into compliance with the new IAIABC requirements.

The notice and text of the regulations can be found on the proposed regulations [page](#).

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