

**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 December 15, 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.

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, 17th 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~~.

Proposed Text Noticed for 2nd 15-Day Comment Period on Modified Text:

The proposed text was indicated by bold underlining, thus: **added language**. Deletions are indicated by bold strike-through, thus: **~~deleted language~~**.

SUMMARY OF PROPOSED CHANGES

1. Section 9701.

In subsection (c), the effective date was changed from April 6, 2016, to six months after date of filing the approved regulation with the Secretary of State.

In subsection (q), the mailing/physical address for the International Association of Industrial Accident Boards and Commissions ("IAIABC") was updated to its current address.

2. Section 9702.

In subsection (c), table footnotes 5 and 6, the word "canceled" was changed to "cancel," and in footnote 9, clarification regarding data element 0032 (Time of Injury) was provided regarding

non-cumulative trauma injuries and previously submitted transmissions (corrected, changed or denied transmissions).

Subsection (f) has been clarified and updated into two subsections, requiring (1) that corrected claims be submitted within 60 days of the date of the transmission of the error acknowledgment, or (2) if updated or omitted data is discovered the claim administrator must submit updated or omitted data by the time the next submission of data on the affected claim is due.

Subsection (h) has been clarified to provide that medical-only claims or claims with only non-indemnity benefit payments may be reported as a final report (MTC=FN) or as an annual report (MTC=AN) with a Claim Status (DN0073) of “closed.”

These changes were made in response to stakeholder comments and requests.

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

Throughout the Guide, reference to the Division of Labor Statistics and Research (DLSR), except when referred to in the past, was changed to reference to the Department of Industrial Relations (DIR), because DLSR no longer exists as a separate unit and the work that was performed in that unit is now performed by DIR’s Research Unit.

In Section G, on pages 44 and 45, under the heading, “Data Completeness and Accuracy Quality Requirements,” the language was clarified, at the request of commenters, to provide that, in terms of timeliness, at least 95% of FROI reports should be submitted within 10 business days of the triggering event, at least 95% of SROI reports should be submitted within 15 business days of the triggering event and in terms of accuracy, no more than 5% of FROI and SROI reports should have errors after 60 calendar days. In a footnote on page 54 regarding advances or settlements, the words “Initial Payment (IP) instead” were stricken from the end of the first sentence and the following clarifying sentence was added in its place: “The Payment Report (PY) can also be used to report an advance or settlement after the IP.” This change was made in response to a request from a commenter. Finally, references to ICD-10 were added in the two places in this section where ICD-9 is listed to allow for reporting of injuries occurring on or after October 1, 2015.

In Section K, on page 60, below the table entitled, “Data Requirements for First Reports of Injury,” the following note was stricken: “***** The FROI Date Disability Began is defined by DWC as the original date of lost time.” On page 61, in the table entitled, “FROI Conditional Rules and Implementation Notes,” in the entry regarding data element 0032 (Time of Injury), the following qualifying language was added to the explanation column after the number 80: “and the claim is not previously acquired.” In addition, the last sentence of the explanatory note, “Not required on 04, CO, or 02 for previously acquired claims” was stricken. On page 63, in the entry regarding data element 0056 (Date Disability Began), the explanatory sentence “FROI Date Disability Began is the original date of lost time” was stricken. On page 64, in the entry for data element 0062 (Wage), the explanatory sentence “Required only when provided to the claims administrator” was added. In the entry for data element 0063 (Wage Period), the explanatory sentence “Required only when provided to the claims administrator,” was added as the first sentence and the word “average” was deleted in the following sentence. On page 66, the note regarding data element 0056 was deleted. On page 70, in the chart entitled, “SROI Conditional Rules and Implementation Notes,” in the entry for data element 0056 (Date Disability Began), the first

sentence of the explanatory section was stricken, which read: “SROI Date Disability Began is the first date of lost time for the current benefit period.” These changes were made in response to public comments received.

In Section M, on page 92, in the small chart regarding MTC codes and names, the entry for “AN (Annual)” was deleted. On pages 96 and 97, the following language was added to the end of the instructions regarding data element 0032 (Time of Injury): “a Nature of Injury Code (DN 35) is not between 60 and 80, and the claim is not previously acquired.”

In Section O: Added acronym “ICD10” and Definition “International Classification of Diseases 10th Revision.”

In Appendix A, on page 124, in the section listing differences between Versions 3.0 and 3.1 of the WCIS FROI/SROI Guide, item 15, regarding data element 0056 (Date Disability Began), was deleted to be more consistent with IAIABC reporting standards, in response to comments received. Item 17 was clarified to provide that the Time of Injury (DN 32) is now Conditional/Serious on the FROI 00, 04, 02 and CO, when the Nature of Injury Code (DN 35) is not between 60 and 80, and the claim is not previously acquired. In item 23, a comma between the words FROI and Denial was removed. The items will be renumbered when the Guide is finalized.

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

In section II, on page 11, in the chart entry on Date/Time ISA Information, in the sentence on the ISA09 interchange date of the 837, the phrase “GS04 Time” was changed to “GS04 Date,” for accuracy and in response to a public comment.

In Section VI, in the table entitled “California Medical Data Elements by Source” which begins on page 37, the following field source information was added based on recent feedback from an IAIABC working group on state workers’ compensation medical data reporting of items billed on a UB 04 form. Field source 62a was added to the UB 04 column for data element number 0015. For data element 0018, field source 58a was removed from the UB 04 column. For data element numbers 0043, 0044 and 0045, the field source in the UB 04 column was changed from “8a” to “8b” (meaning the data can be found in field 8b of the UB 04 form, rather than field 8a). For data element number 0523, field source 3a was added in the UB 04 column. For data element number 0525, the UB 04 source field was changed from “74a-e” to simply “74.” For data element 0537, UB 04 the source field was revised from 81b to 81B3. Data element 0593 was deleted from the table because it is no longer in the IAIABC standard.

In section VII, on page 43, in the section entitled, “Bill submission reason code values,” in the instructions for reason code 01 (Cancellation), the language regarding the value of data element number 0500 (Unique Bill ID Number) not being reused was strengthened to clarify that each Unique Bill ID Number should not be reused, even in the case of cancellation, to avoid ambiguity on this point. In the Medical Data Elements Requirement Table on pages 45-54, a note (*) was added to the following data element numbers: 0048, 0050, 0501, 0510, 0511, 0512, 0516, 0528, 0538, 0540, 0616 and 0629, that, although not technically required on a cancelled bill, these data elements should still be reported to maintain the integrity of the 837 data transmissions, to improve the accuracy of the data reported. On page 46, in the entry for data element number 0507 (Provider Agreement Code), the following language was added to the Business Condition/Mandatory Trigger column: “Enter the value “P” if the injured

worker's medical treatment is provided within a Medical Provider Network approved by the DWC." On page 48, the entry regarding data element number 0533 (Present on Admission Indicator) was updated to state that it is required to be reported on inpatient hospital bills if the Present on Admission Indicator is included on the hospital bill. On the same page, in the entry for data element number 0537 (Billing Provider Primary Specialty), the requirements for reporting the Original (00), Correction (02) and Replace (05) were changed from "AR" to "MC" so that this data element is reported whenever DN0528 (Provider Last/Group Name) is present. In the entry for data element number 0630 (Billing Provider State License Number) the requirements for reporting the Original (00), Correction (02) and Replace (05), were changed from "AR" to "AA." These changes were made to enhance the quality and integrity of the data being reported.

In section VIII, in the table entitled, "California Edit Matrix," beginning on page 55, the following changes were made in response to data reporting tests conducted with trading partners since the initial draft of these regulations was released: Error Code 072 was changed to 071 because 072 had been written in error. Error Code 001 was removed from the following data element numbers: 0293, 0544, 0550, 0623, 0704 and 0729. Error Code 001 was added to data element numbers 0503, 0504, 0505, 0520, 0522, 0541, 0542, 0555 and 0577. For data element number 0550, error code 029 was removed. For data element numbers 0599, 0630, 0643 and 0680, error code 030 was removed. For data element numbers 0512 and 0615, error code 034 was removed. For data element numbers 0503 and 0505, error code 058 was added. For data element numbers 0508 and 0544, error code 063 was removed. For data element number 0511, error code 063 was added. For data element numbers 0509, 0514, 0515, 0547, 0556 and 0741, error code 064 was added. For data element numbers 0503, 0535 and 0555, error code 064 was removed. For data element number 0605, error code 071 was added. For data element number 0510, error code 073 was added. For data element numbers 0510 and 0511, error code 074 was removed. For data element number 0605, error code 075 was removed. For data element numbers 0098, 0099, 0527 and 0605, error code 111 was added. For data element number 0501, error code 111 was removed. For data element numbers 0016, 0031 and 0187, error code 117 was removed. Lastly, for data element number 0500, error code 117 was added. These changes were made to enhance the quality and integrity of the data being reported.

In section IX, on page 75, under the heading, "Repackaged drug reporting," the language "LIN segment in the 2410 loop," which had been replaced with "SV1 segment in the 2400 loop," has been edited to read: "LIN segment in the 2410 loop and SV1 segment in the 2400 loop," in response to comments received. In the "Lien Bills Data Element Requirement Table" on page 76, for data element 0042 (Employee SSN), the following language was added for clarity: If the employee does not have a SSN, use the default value of "000000006." Finally, on pages 76 and 77, a note (*) was added to data element numbers 0042, 0501, 0510, 0511, 0512, 0516, 0528, 0538, 0540, 0616 and 0629 that although California does not require reporting of these data elements, they must nevertheless be reported to meet the requirements of the ANSI 837 file structure. These changes were made to enhance the quality and integrity of the data being reported.