

Electronic Data Interchange Expansion to the Workers' Compensation Computer System

FY2003 Request: \$60,000
Reference No: 35848

AP/AL: Appropriation
Category: General Government
Location: Statewide
House District: Statewide (HD 1-40)
Estimated Project Dates: 07/01/2002 - 06/30/2003

Project Type: Information Systems
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Brief Summary and Statement of Need:

This project will allow electronic filings for proof of insurance coverage and payment reporting, paving the way for more filings to be made electronically in the future. New programming will provide insurance companies and employers the opportunity to submit required information directly into the workers compensation information handling system.

Funding:	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	Total
Gen Fund	\$60,000						\$60,000
Total:	\$60,000	\$0	\$0	\$0	\$0	\$0	\$60,000

<input type="checkbox"/> State Match Required	<input checked="" type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Project Development:	60,000	0
Ongoing Operating:	0	0
One-Time Startup:	0	
Totals:	60,000	0

Additional Information / Prior Funding History:

This project came about as a result of The Division of Workers' Compensation research into EDI as well as recommendations made by the Legislative Auditors. This EDI proposal will allow for efficiencies within the Division of Workers' Compensation as well as the private sector.

Project Description/Justification:

This project has not been previously submitted for consideration.

New programming of the system will allow for electronic filing of proof of coverage and payment information made by insurance companies and employers. In their review and development of this project during the past year, department staff determined this system expansion will improve the delivery of state services by increasing filing and data entry accuracy, eliminating postal delays, and shifting the workload of two clerks to statutorily required reports not currently completed in detail or in a timely manner.

This project is an enhancement to the department's capabilities, provided through the expenditure of contractual funds used for programming changes to the existing system. Annual savings are not determinable at this time. The project will provide a faster, more efficient interchange of data by eliminating the need to file hard copy information. Postal delays and hand written data entry errors will be reduced or eliminated. Also, these improvements should create efficiencies for local government entities and the Division of Risk Management in regard to their filing requirements.

A slight increase in system maintenance is expected due to the added complexity to the system. However, the division expects to absorb these near term increases.

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As the number of employers increases, additional staff will be needed to handle the increased paper work. Without this project, the division will continue to not comply with statutory required report detail that allows the state to analyze and address trends in rising medical cost and the other workers' compensation costs.