

Electronic Data Interchange Expansion to the Workers' Compensation Computer System Phase 3

FY2005 Request: \$100,000
Reference No: 39162

AP/AL: Appropriation **Project Type:** Information Systems
Category: Health/Human Services
Location: Statewide **Contact:** Paul Grossi
House District: Statewide (HD 1-40) **Contact Phone:** (907)465-2790
Estimated Project Dates: 07/01/2004 - 06/30/2006

Brief Summary and Statement of Need:

This project will enable the Workers' Compensation program to produce statutorily required reports and allow electronic filing of First Report of Injury (FROI) information. New programming will provide insurance companies and employers the opportunity to submit required information directly into the workers' compensation information handling system via Electronic Data Interchange (EDI).

Funding:	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	Total
Wrkrs Safe	\$100,000						\$100,000
Total:	\$100,000	\$0	\$0	\$0	\$0	\$0	\$100,000

<input type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input checked="" 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:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	
Totals:	0	0

Additional Information / Prior Funding History:

Electronic Data Interchange (EDI), is a nationwide uniform reporting system for workers' compensation data allowing a computer to computer exchange of data between insurance companies, employers, and accident boards and commissions. The Division was appropriated \$60.0 to develop and implement Phase 1 - Proof of Coverage in FY 03, and \$70.0 to develop and implement Phase 2 - Subsequent Reports of Injury also known as Compensation Reports in FY04.

Project Description/Justification:

Phase III of the EDI project will provide for electronic filing of First Report of Injury (FROI) information. Currently the 25 to 30 thousand reports of injury submitted on paper must be manually entered in the Workers' Compensation Information System. Completion of this phase will reduce duplication of effort while allowing the Division to immediately capture up-to-date incident information. Costs to insurers, employers, injured workers, medical providers and the department will go down as efficiency and accuracy improve.

Project cost:	Capital:			Annual O&M costs or savings
	Prior Years:	FY 2003:	FY 2004:	
General Funds				
General Fund Match				
General Fund Program Receipts				
I/A Receipts (dept. and fund source)				
Workers Safety Account (1157)		60,000	70,000	
Federal Funds				

**Electronic Data Interchange Expansion to the Workers'
Compensation Computer System Phase 3**

**FY2005 Request: \$100,000
Reference No: 39162**

Total				
-------	--	--	--	--

This project will enhance existing department capabilities. It will be used to contract programming services at an estimated cost of \$100,000.

A faster, more efficient interchange of data will result with the elimination of the need to file hard copy information. Efficiencies will be realized as delays due to postal delivery are eliminated and data entry errors decrease. This phase should improve processing for insurers, employers, medical providers and the 25,000 to 30,000 members of the public who become injured workers annually.

The division will more efficiently comply with statutory reporting requirements and provide up-to-date reporting of injury information to public agencies.

Due to added complexity of the system, the division expects a slight increase in the cost of system maintenance, but it will be offset by the cost savings from increased efficiencies.

The previous two phases of the EDI project were approved in prior fiscal years to develop and implement the Proof of Coverage, (Phase 1) and the Subsequent Reports of Injury also known as Compensation Reports or payments (Phase 2). Failure to approve this phase of the project will leave the Division with an incomplete project that will not allow the electronic filing of injury report information which is a large part of the information received by the Division. Not approving this program would still leave the Division in a situation where it is not able to produce all of the statutorily required report information in a timely manner. Approval of this phase will enable the state to efficiently analyze and address trends in rising medical and other workers' compensation costs.