

Improvements to Workers' Compensation Computer System and Completion of Electronic Data Exchange

FY2006 Request: \$1,094,000
Reference No: AMD 40587

AP/AL: Appropriation

Project Type: Information Systems

Category: General Government

Location: Juneau Areawide

Contact: Paul Lisankie

House District: Juneau Areawide (HD 3-4)

Contact Phone: (907)465-6059

Estimated Project Dates: 07/01/2005 - 06/30/2007

Brief Summary and Statement of Need:

The current Workers' Compensation computer system was installed in 1999. Since that time many corrections and enhancements have been identified that will make the system more responsive to the needs of users. In addition, the division has been working to add an electronic data interchange (EDI) capability that will allow employers and insurers to file reports electronically. The division has received some funding authority in the past to address system problems in a piecemeal fashion. This project will allow a comprehensive system overhaul.

Funding:	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	Total
Wrkrs Safe	\$1,094,000						\$1,094,000
Total:	\$1,094,000	\$0	\$0	\$0	\$0	\$0	\$1,094,000

<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 checked="" 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	0
Totals:	0	0

Additional Information / Prior Funding History:

The division has received prior funding totaling \$230.0 for various phased system improvements and EDI. Preliminary cost estimates have been prepared and the required system upgrades are estimated at \$864.0 with an additional \$230.0 needed to complete the EDI portion.

Project Description/Justification:

This project has not been previously approved. There are two components to the project: 1) corrections and enhancements to the workers' compensation data system; and 2) completion of an electronic data exchange system (EDI).

Project cost:	Capital:			Annual O&M costs or savings
	Prior Years	FY 2005	FY 2006	
General Funds				
General Fund Match				
General Fund Program Receipts				
I/A Receipts (dept. and fund source)				
Workers' Safety Account (1157)	230.0		1,094.0	
Federal Funds				
Total	230.0		1,094.0	

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The EDI is a new systems development. The other component is for upgrading and enhancing existing department capabilities.

The money will be used for consulting services to build the EDI and modify the existing workers' compensation data system. The EDI system will allow employers and insurers to electronically file required notifications, saving time and money for all entities involved. Correcting the workers' compensation system will allow us to respond more quickly to the public, leading to faster resolution of claims.

There are no potential out-year cost implications if this project is approved.

The workers' compensation system has been in need of upkeep for years. Failure to fix the existing problems may cause a failure of the whole system in the future. The system's efficiency is decreasing, creating a backlog and slowing the response time to claimants. In addition, the system is not capable of providing the data necessary to accurately measure several of the division's key performance measures.