

IAIABC

EDI Implementation Guide

for

Claims

First, Subsequent, Header, Trailer &
Acknowledgment Detail Records

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International Association of Industrial Accident Boards and Commissions
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Table of Contents



International Association of Industrial Accident Boards and Commissions

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<u>Section</u>	<u>Page</u>
Foreword	
Introduction	i
Section 1: Jurisdiction EDI Preparation	
Preparation Instructions	1-1-1
Section 2: Technical Documentation	
Systems Rules.....	2-1-1
Transaction Processing Guidelines.....	2-2-1
Data Element Reference Table by Name and Number	2-3-1
Flat File Record Layouts	2-4-1
Section 3: Acknowledgment Scenarios	
Acknowledgment Scenario Index.....	3-i
Validate Batches	3-1
Scenario #1 - Validate Sender ID in Header (HD1)	3-1
Scenario #2 - Validate Header Data Data Elements.....	3-2
Scenario #3 - Validate Header for Duplicate Batch.....	3-3
Scenario #4a - Validate Batch for Existence of Trailer	3-4
Scenario #4b - Validate Trailer Record	3-6
Scenario #5 - Validate Batch for Transaction Existence	3-8
Scenario #6 - Validate Interchange Version ID for Jurisdiction Acceptance.....	3-9
Scenario #7a - Validate Batch for Structure.....	3-10
Scenario #7b - Validate Batch for Non-Standard Formatting.....	3-12
Scenario #8 - Validate Batch Integrity.....	3-14
Validate Detail Records	3-16
Accepted (TA)	
Scenario #9 - Transaction Accepted (No Errors Found).....	3-17
Accepted with Errors (TE)	
Scenario #10 - Transaction Accepted With Errors	3-18
Scenario #11a - Transaction Error in Variable Segment	3-19
Scenario #11b - Transaction Error in Multiple Variable Segments	3-21
Scenario #12 - Value Not Consistent with Previously Reported	3-23
Rejected (TR)	
Scenario #13 - Transaction Rejected for Invalid Mandatory Data Element	3-25
Scenario #14 - Transaction with Invalid MTC	3-26
Scenario #15 - Companion Record (R21/R22) Does Not Match Base (148/A49).....	3-27
Scenario #16 - Duplicate Transaction	3-28
Scenario #17a - Key Element Values Not Consistent with Previously Reported.....	3-31
Scenario #17b - Invalid ACR Code in Benefit ACR Segment	3-33
Scenario #18 - Invalid Event Sequence	3-35
Scenario #19 - Invalid Data Relationship	3-36
Rejected by Service Provider (TN)	
Scenario #20 - Transaction Rejected for Invalid Mandatory Data Element	3-38
Error Correction	
Scenario #21 - Demonstrate Acknowledgment of Correction	3-40

<u>Section</u>	<u>Page</u>
Re-Acknowledgment	
Scenario #22 - Demonstrate Re-Acknowledgment	3-43
Interchange Version ID (DN0105) for Acknowledgment Batches	3-46
 Section 4: Business/Technical Process Rules	
Legacy Claims Processing	4-1
Acquired Claims Processing	4-3
Variable Segment Population Rules	4-6
Lump Sum Payment/Settlement Rules	4-17
Error Correction Process	4-21
02 Change Processing Rules	4-26
Transaction Sequencing	4-29
MTC Simplification Guide	4-35
01 Cancel Processing Rules and Jurisdiction Change	4-37
Match Data Rules	4-39
 Section 5: Business Scenarios	
Business Scenario Index	5-i
Scenario MTC Reference	5-i
Scenario Assumptions	5-0-1
Base Scenario Profiles	5-0-3
 1 - First Reports of Injury	
Original First Report of Injury - Base Scenario "00"	5-1-1
1-800-Callcenter First Report of Injury	5-1-6
Under Investigation – Compensability Not Yet Determined - Base Scenario "UI"	5-1-11
Original First Report of Injury with Lessee/Lessor (Accident on Employer Premises)	5-1-16
Original First Report of Injury with Lessee/Lessor (No Accident Site Address)	5-1-21
Original First Report of Injury with Lessee/Lessor (Accident Not on Lessee's Premises)	5-1-26
Original First Report with Lessee/Lessor (Accident on Lessee's Premises)	5-1-31
Original First Report of Injury Self-Insured Employer	5-1-36
Original First Report of Injury - Fatality	5-1-41
Original First Report of Injury – Volunteer – No Indemnity Payment Due	5-1-46
Original First Report of Injury – (Base) Employer Paid)	5-1-52
Original First Report with Jurisdiction Assigned Employee ID	5-1-57
Original First Report of Injury - Full Wages Paid for Date of Injury	5-1-62
Original First Report of Injury "00" with Return to Work in Waiting Period	5-1-67
Original First Report of Injury – Base Scenario Employee Security ID	5-1-72
 2 - Acquired Claims	
Acquired Claim – Base Report AQ	5-2-1
Acquired/Unallocated Claim – First Report (after Rejected AQ)	5-2-6
Acquired/Payment "AP" First Payment by New Claim Administrator	5-2-11
Insolvent Insurer Settlement	5-2-16
Acquired/Payment – "AP" by New Claim Administrator after Previous "AP"	5-2-24
Acquired/Payment "AP" First Payment by New Claim Administrator for Period Prior to Acquired Date	5-2-29

<u>Section</u>	<u>Page</u>
3 - Full & Partial Denials	
Denial as a First Report.....	5-3-1
Full Denial after First Report of Injury	5-3-7
Denial after Initial Payment	5-3-11
Partial Denial – Reoccurrence.....	5-3-16
Partial Denial – Lost Time	5-3-20
4 - Initial Payments	
Initial Payment - Base Scenario “IP”	5-4-1
Initial Payment with Reduced Earnings.....	5-4-5
Initial Payment of Temporary Partial, Waiting Week at Temporary Total	5-4-9
Initial Payment after Denial Sent	5-4-18
Initial Payment with Benefit Adjustment	5-4-22
Initial Payment with Benefit Redistribution	5-4-26
Initial Payment with Intermittent Waiting Periods	5-4-31
Initial Payment with Reduced Earnings after Employer Paid Benefits.....	5-4-35
Initial Payment for Fatality	5-4-40
Initial Payment by Claim Administrator after Suspended Employer Paid Benefits	5-4-45
Initial Payment after Jurisdiction-Assigned Employee Security ID (Including Work Week Type Code and Work Days Scheduled Codes)	5-4-54
Initial Payment – with Return to Work	5-4-58
5 - Initial Payment Equivalents	
Under Investigation – Compensability Not Yet Determined SROI “UI”	5-5-1
Employer Paid Benefits	5-5-5
Self-Insured Employer Paid Benefits	5-5-9
Employer Paid to Claim Administrator Paid with Reimbursement	5-5-14
Employer Paid to Claim Administrator Paid without Reimbursement	5-5-18
Employer Paid Followed by Employer Reinstatement after Suspension	5-5-23
Volunteer – No Indemnity Payment Due	5-5-36
Compensable Death – No Known Dependents – No Payment Due	5-5-40
6 - Changes	
Change from TTD to TPD with One Week of Reduced Earnings	5-6-1
Change in Benefit Type – Temporary Total (TT) to Permanent Partial (PP)	5-6-6
Change from TTD to TPD with Multiple Weeks of Earnings	5-6-11
Change in Gross & Net Weekly Amount Due to AWW Change	5-6-16
Change in Net Weekly Amount Due to Additional Adjustment for Non-cooperation with Rehabilitation	5-6-21
Reduced Earnings with Multiple Weeks	5-6-26
Discontinued Fringe Adjustment	5-6-31
Change to Social Security Number	5-6-35
Discontinued Fringe - No Change in Gross & Net (at Maximum)	5-6-45
Add a Concurrent Benefit	5-6-49
Change Jurisdiction Assigned ID to Valid Social Security Number	5-6-54
Change in Amount after Suspension	5-6-59
Change to Employee Address (Changing Previously Sent Value to Space).....	5-6-67
Change in Benefit Redistribution Amount	5-6-77
Change in Benefit Type (Reclassification of PP to PT).....	5-6-82
Original First Report of Injury Base Scenario “00” with Change to an Initial Return to Work Date	5-6-87

<u>Section</u>	<u>Page</u>
7 - Full & Partial Suspensions	
Suspension – Returned to Work	5-7-1
Suspension – Benefits Exhausted.....	5-7-6
Suspension – Jurisdiction Ordered	5-7-11
Suspension - Compensable Death Followed by Payment to State Fund	5-7-16
Partial Suspension of Concurrent Benefit Type	5-7-26
Suspension - Non Work Related Death	5-7-31
Suspension - Jurisdiction Transfer	5-7-36
8 - Reinstatements	
Reinstatement of Benefits – Different Benefit Type	5-8-1
Reinstatement of Benefits – Previously Paid Benefit Type	5-8-6
9 - Lump Sum Payment Reports	
Settlement While Indemnity Benefits Are Being Paid	5-9-1
Settlement after Suspension of Benefits	5-9-12
Award Followed by Continuing Benefits.....	5-9-17
Stipulated Agreement as First Payment after Denial	5-9-26
Advance of Benefits	5-9-39
Settlement Paid on Another DOI (Settlement of Multiple DOIs on One Order)	5-9-48
10 - Miscellaneous Payment Reports	
Settlement as First Payment after Denial.....	5-10-1
Payment to State Fund for Fatality.....	5-10-6
Payment Report – Penalty Payment.....	5-10-11
Payment Report – Initial Medical Only Payment.....	5-10-16
11 - Periodic Reports	
Periodic Annual Report	5-11-1
Sub-Annual with Recovery Code “880” (Voided Indemnity Check)	5-11-6
12 - Miscellaneous Reports	
Correction – Payment Information (includes AKC)	5-12-1
Correction – Missing "Expected" Field (includes AKC).....	5-12-10
Cancellation – First Report Sent in Error	5-12-20
Upon Request – FROI Response to Data Call.....	5-12-25
Upon Request – SROI Response to Data Call	5-12-33
Final Report.....	5-12-40
Section 6: Data Dictionary	
Release 3 Combined Business & Technical Data Dictionary	6-1
Appendix	
Revisions	7-1

Foreword



International Association of Industrial Accident Boards and Commissions

Introduction

What is the IAIABC?

The International Association of Industrial Accident Boards and Commissions was founded in 1914 with the mission of improving the newly developed workers' compensation systems. To improve a system, it is first necessary to measure and analyze its current status. With data gathered from its own and various other jurisdictions, each state can then compare how its own workers' compensation structure is doing and enhance its system accordingly. Information collected for workers' compensation is used to:

- Measure aggregate system costs
- Identify cost drivers
- Identify causes of workplace injuries and illnesses
- Develop management information to measure the effectiveness of benefit delivery systems
- Measure the impact of legislative and regulatory change
- Compare experience across jurisdictional lines

Purpose of EDI

Electronic Data Interchange, commonly known as EDI, has been used in commerce and government since the 1960s. It is computer-to-computer communication, without human intervention, so that data can be passed as quickly, efficiently, and cost-effectively as possible. To achieve this communication, the computer systems involved must "speak" the same standard language. Different commercial ventures, such as shipping, purchasing, and banking, use different sets of standards for transmitting their requirements, and in the early 1990s, the IAIABC began to develop the standards for the insurance community to report workers' compensation information to jurisdictions. Previously, state reporting had been a very paper-intensive process, and the hope was that EDI would save time, errors, and money by reducing or eliminating paper reporting.

EDI Workers' Compensation Claims Reporting

The first step in developing claims reporting standards was to reconcile the requirements of all of the state workers' compensation systems, and various processes within those systems. Release 1, First and Subsequent Reports of Injury, was the first product developed by the IAIABC EDI committees, consisting of representatives from jurisdictional administrative agencies, insurance carriers, self-insured employers, rating bureaus, standards organizations, and vendors. It included 68 data elements, most of which were used for First Reports of Injury, with a limited set of data elements for Subsequent Reports of Injury. Release 1 is used by 23 states.

As it became evident that states also needed to collect information from Subsequent Reports of Injury, the IAIABC EDI Steering Committee authorized the development of Release 2, First and Subsequent Reports of Injury. Release 2 included a significantly broader set of data elements, but because it was developed in a hierarchical rather than a flat file format, it required much greater programming efforts to build and to migrate to from Release 1. As such, Iowa was the only state to implement Release 2. Other states that had been using Release 1 wanted to continue to realize the benefits of EDI, and in April 2001, the IAIABC EDI Steering Committee accepted the proposal to develop Release 3.0.

Release 3.0 is the product of the countless hours of work by workers' compensation EDI experts from both government and the insurance industry who volunteered their time and effort to work toward the goals outlined in April 2001. Some of the goals were:

1. To make Release 3.0 upward compatible from Release 1
2. To resolve issues that had been discovered in Release 1 and Release 2

3. To recognize that the 80/20 rule applies to jurisdictional EDI workers' compensation reporting requirements – although EDI can simplify claims reporting in most of the possible reporting situations, there are still odd occurrences where the reporting will have to be completed by paper
4. To improve on the documentation from Releases 1 and 2, thereby avoiding misinterpretation of and deviation from the intended standard.

To develop Release 3.0, the IAIABC EDI committees began by considering outstanding issues from the development of Releases 1 and 2. After considerable discussion and consensus building, a package of issues was presented to the EDI Council for their decision on whether each of those issues should be further worked on and developed or whether it should be deferred to a later release. Release 3.0 is the product of that development work.

How to Use This Guide

Important note: The IAIABC EDI Release 3.0 Implementation Guide sets forth the national standards for EDI workers' compensation claim reporting. Because each state has established its own laws and requirements, you will also need a copy of the state specific EDI requirements for a complete understanding of the state's reporting needs.

The IAIABC EDI Release 3.0 Implementation Guide is divided into six main sections. Each section fulfills a particular purpose, and it is important that you review the whole guide before starting your implementation. Follow-up reviews of the sections, as needed for further clarification of concerns, will be helpful as you move forward.

Section 1, Jurisdiction EDI Preparation, includes instructions for jurisdictions to prepare for implementing their EDI Reporting expectations as well as some important rules for jurisdictions to adhere to the national standard.

Section 2, Technical Documentation, is where you will find explanations of the Systems and Processing Rules, along with record types and layouts.

Section 3, Acknowledgment Scenarios, demonstrates examples of how jurisdictions will acknowledge submitted reports, including how to correct reports that are rejected or accepted-with-errors.

Section 4, Business/Technical Process Rules, clarifies the rules for what data submitters must do in various specific circumstances in the life of a claim. This section includes a table explaining transaction sequencing and a table explaining the Maintenance Type Codes to use in various situations.

Section 5, Business Scenarios, presents "real-life" examples of claim events and how to report them to the jurisdiction. The scenarios are helpful to understand similar reporting situations, from the perspectives of both the data submitter and the data receiver.

Section 6, Data Dictionary, consolidates the definitions of the business and technical terms used in IAIABC Claims Release 3.0 EDI for workers' compensation. The Introduction to the Data Dictionary outlines the elements that may be found in each definition. When the valid values for a term have been developed by a different organization, the user may be referred to the IAIABC website for a link to that external source. This step will ensure that the current value is always available to the user. The Data Population Rules section of the definition includes processing rules that apply to the defined term. The complete definition of each term includes the Data Population Rules; the definition must not be used without the conditions that are presented in the Data Population Rules.

Updates to the Release 3.0 Implementation Guide

As EDI reporting for workers' compensation claims evolves, users may encounter issues that had not been anticipated in the original development of Release 3.0. The IAIABC EDI Committees continue to refine the product, based on the needs and requests of carriers and jurisdictions. If there is a specific problem that you cannot find the answer to, the IAIABC EDI Implementation Committee has a Rapid Response Team to help you with your question. If the Rapid Response Team is not able to answer the question, either you or they may submit an Issue Resolution Request to the IAIABC EDI Triage Committee for clarification or correction.

The IAIABC website, www.iaiabc.org, includes much more information on EDI for workers' compensation. The EDI Committees work continuously on refining EDI reporting, and welcome new participants. Descriptions of the committees, contact lists, the J. Baxter Swing Web Board, and other help with EDI are accessible on the website.

Release 3.0 is the product of a collaborative volunteer effort by members of the IAIABC EDI Systems, EDI Claims, and Triage Committees, governed by the EDI Council.

September, 2003