

# Kentucky Claims Release 3.0

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Kentucky Department of Workers' Claims



# Why Claims Release 3.0?



- Update database system/codes
- Streamline data
- Online filing initiatives
- Adherence to the IAIABC Standard

# What does Kentucky do with EDI submitted information?



- Pull statistical data for a variety of reasons:
  - a) Publications
  - b) Government entities
  - c) Health care representatives
  - d) Updating state and national databanks
  - e) Information sharing agreements with other state and federal agencies
  - f) Process timely filing reports on 00 Originals, S1 Suspensions and Initial Payments to ensure carrier performance
  - g) Gather information for legislative initiatives



# EDI Basics

- A First Report of Injury can be filed as one of the following MTCs:

00 - Original

04 - Denial

AU - Acquired Unallocated/AQ - Acquired Claim

UI - Under Investigation



# EDI Basics

- All mandatory fields must be completed in accordance with the DWC Element/Event Tables
- Must be accepted on file no later than 10 days from being reported to the Employer (KRS 342.038)
  - a) Employer has three days to notify the Claim Administrator
  - b) Claim Administrator has seven days to notify DWC

# EDI Basics



- When a Date of Death (DN0057) is filed with the Department of Workers' Claims, a fatality letter is generated and mailed to family of the deceased.
- The Accident Description (DN0038) will not be used for anything other than the accident description as prescribed by the IAIABC standard.

## EDI Basics



MTC FN – Final: Kentucky does not recognize a FN as closing out the claim within KRS 342. Medical benefits can remain open after indemnity payments have ceased. A statute letter to the injured worker will not be sent as a result of the FN - a report that benefits have been suspended (Sxx-suspension) is the only report that will trigger the generation of this letter.

# EDI Basics- Acknowledgements



- TA – Transmission accepted - The EDI transmission was accepted by DWK with no errors.
- TR – Transmission rejected – The EDI transmission was rejected. Errors must be corrected and the record resubmitted.
- TE – Transmission accepted with errors – Ky does not send TE acknowledgements as of 1/16/2009.



## What's New With Kentucky in R3

- Lost times as well as no lost times will be accepted. *No lost times are not mandated, but we will accept them should you choose to send them.* No lost times will be excluded from the timely filing process due to the nature of the no lost times.
- No more 'Manual Change Form' – no more paper.



## What's New With Kentucky in R3

### ➤ New **FROI** Maintenance Type Codes:

MTC: AQ – Acquired Claim: Minimal data sent to report that a new claim administrator has acquired the claim.

MTC: UI – Under Investigation: A determination has not yet been made as to whether this is a compensable claim. This MTC may be sent as the First Report.

MTC CO – Correction: COs will be accepted on legacy claims only upon implementation of R3. These will not be accepted after 6-30-11.



## What's New With Kentucky in R3

### ➤ New **SROI** Maintenance Type Codes:

MTC AB - Add Concurrent Benefit: Indemnity benefits are currently being paid and concurrent benefit type is being added.

MTC EP – Employer Paid: The employer is paying the injured employee's salary in lieu of compensation and the claim administrator is not paying any indemnity benefits at this time.



## What's New With Kentucky in R3

### ➤ New **SROI** Maintenance Type Codes:

MTC ER – Employer Reinstatement: The employer has resumed paying the injured employee's salary in lieu of compensation and the claim administrator is not paying any indemnity benefits at this time.

MTC PD – Partial Denial: A specific benefit has been denied.



## What's New With Kentucky in R3

➤ New **SROI** Maintenance Type Codes:

MTC SD - Suspension, Directed by Jurisdiction:  
All payments of indemnity benefits have stopped  
per jurisdiction order.



## What's New With Kentucky in R3

- First Reports that will **NOT** be accepted in EDI Claims Release 3.0:

MTC UR: Upon Request - Submitted in response to a specific request from the Jurisdiction and manually triggered by the Claim Administrator. Kentucky will not be accepting this MTC Code.



## What's New With Kentucky in R3

- Subsequent Reports that will **NOT** be accepted in EDI Claims Release 3.0:

MTC CO: Correction – These will not be accepted as a SROI MTC in Release 3.0.

MTC P2: Partial Suspension, Medical Non-compliance - Payment(s) of one concurrent indemnity benefit have stopped because of medical non-compliance, and payment(s) of other indemnity benefits continues.



# What's New With Kentucky in R3

- Subsequent Reports that will **NOT** be accepted in EDI Claims Release 3.0:

MTC P3: Partial Suspension, Administrative Non-compliance - Payment(s) of one concurrent indemnity benefit have stopped because of administrative non-compliance, and payment(s) of other indemnity benefits continues.

MTC P5: Partial Suspension, Incarceration - Payment(s) of one concurrent indemnity benefit have stopped because the employee has been incarcerated, and payment(s) of other indemnity benefits continues.



## What's New With Kentucky in R3

- Subsequent Reports that will **NOT** be accepted in EDI Claims Release 3.0:

MTC P9: Partial Suspended Pending Settlement Approval - Payment(s) of one concurrent indemnity benefit have stopped pending settlement approval, and payment(s) of other indemnity benefits continues.

MTC PJ: Partially Suspended Pending Appeal or Judicial Review - Payment(s) of one concurrent indemnity benefit have stopped pending appeal or judicial review, and payment(s) of other indemnity benefits continues.



## What's New With Kentucky in R3

- Subsequent Reports that will **NOT** be accepted in EDI Claims Release 3.0:

MTC RE: Reduced Earnings - The injured employee has returned/been released to return to work and actual or deemed earnings for each reduced earnings week is reported. Reduced earnings deals with Temporary Partial submittals.

MTC SJ: Suspended Pending Appeal or Judicial Review  
- All payments of indemnity benefits have stopped pending appeal or judicial review.



## What's New With Kentucky in R3

- Subsequent Reports that will **NOT** be accepted in EDI Claims Release 3.0:

MTC UI: Under Investigation – UI will only be accepted as a First Report Transaction.

MTC UR: Upon Request - This MTC will not be accepted as a first or subsequent report transaction.



# What's New With Kentucky in R3

## ➤ Periodic Reports

MTC BM: Bi-monthly – Reported every time an ongoing claim paying benefits reaches 60 consecutive days without being suspended or closed. Per KRS 342.038(5):

*Upon termination of the disability of the injured employee, or if the disability extends beyond a period of sixty (60) days, then also at the expiration of that period, the employer shall make a supplementary report to the executive director.*

The MTC BM is the only periodic report that is required for Kentucky.



## What's New With Kentucky in R3

- Implementation of Release 3.0 March 28, 2011 mandatory for all carriers
- Sign up for our Communication Network by emailing [Brenda.Majcher@ky.gov](mailto:Brenda.Majcher@ky.gov) for DWC Updates
- Information will be posted on the DWC web site with ***What's New*** at the Department relating to EDI.



## What's New With Kentucky in R3

- EDI training session in coordination with IAIABC to be held December 1<sup>st</sup> and 2<sup>nd</sup>, 2010 at the Cincinnati Airport.
- Full EDI Testing for Release 3.0 to be conducted throughout the month of January, 2011.



# What Significant Changes Exist Migrating From R1 to R3?

- No more manual change forms – the FROI (02) Change MTC can be used to make changes to matching DN fields such as DOI, Employee ID, etc. Only one change is allowed per transaction for matching fields.
- If data element is on both the FROI and SROI, a change to that DN field should be sent via FROI (02).
- Both the four digit SIC and the six digit NAIC industry codes will be accepted.



# What Significant Changes Exist Migrating From R1 to R3?

- NLT claims will be accepted without a workaround as was necessary in R1.
- The SSN, ID Assigned by Jurisdiction and Green Card number will be accepted for Employee ID. The following formula supplied in the “ID Assigned by Jurisdiction” field is acceptable when a SSN is not available: 999 + MMDDYY (Employee’s DOB). Please send a FROI (02) Change transaction as soon as possible with the valid Employee ID.

# What Significant Changes Exist Migrating From R1 to R3?



- A FROI (UI) will be accepted when a determination has not been made if the claim is compensable. However, the FROI (00) or (04) will continue to be accepted for this scenario as well.
- The FROI (UI) must be followed by the appropriate FROI transaction depending upon whether it is determined to be compensable or not. SROIs will not be accepted until another FROI transaction has been accepted after the initial FROI (UI).

# What Significant Changes Exist Migrating From R1 to R3?



- If benefits have been reported, a suspension of benefits is recommended prior to a FROI (01) Cancel. However, if the entity isn't able to send a suspension, the jurisdiction will assume that the FROI (01) Cancel is also suspending the payments.
- A FROI (AQ) can only be filed if a FROI (00), (04) or (AU) is already on file.



# What Significant Changes Exist Migrating From R1 to R3?

- FROI (CO) Correction transactions will only be accepted through June 30, 2011 and only on legacy claims filed prior to January 16, 2009.
- It will no longer be necessary to file a FROI (00) to reinstate a FROI (04). SROIs will be accepted after a FROI (04) Denial has been accepted.
- The BM is the only periodic report that is statutorily required. The BM can be used to report indemnity payments as well as other periodic payments.



# What Significant Changes Exist Migrating From R1 to R3?

- KY does not accept TPD (Temporary Partial Disability) reports. If the 070 or 270 code is provided for DN85 (Benefit Type Code) or DN0222 (Payment Reason code), the record will be rejected.
- Statute letters will be generated for all suspension codes; except for an S7, upon receipt of a FROI or SROI (04) Denial; and when a DOD is reported.
- The SROI (FN) Final report will NOT generate a statute letter.



# What Significant Changes Exist Migrating From R1 to R3?

- Notice that there are three DNs associated with RTW date: DN72 (Current), DN68 (Initial) and DN189 (Return to Work Type Code). These will be very beneficial to include for timely filing reports generated by the DWC.
- The Benefit Period through dates are relevant when statute letters are generated.
- Per Kentucky statute, a FROI should always be reported for fatalities and SROIs filed if benefits are paid to the deceased worker's family (death benefit, dependent's ongoing benefits, etc.).

# What Significant Changes Exist Migrating From R1 to R3?



- A valid accident description is absolutely necessary. Kentucky no longer accepts anything other than a detailed accident description in this field. If a valid description is not provided, the record will be manually rejected.



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DWC web site:  
[www.labor.ky.gov/workersclaims](http://www.labor.ky.gov/workersclaims)



***Thank you!***