TDI Division of Workers' Compensation

Elevating Data Quality: How DWC Uses EDI to Improve Service

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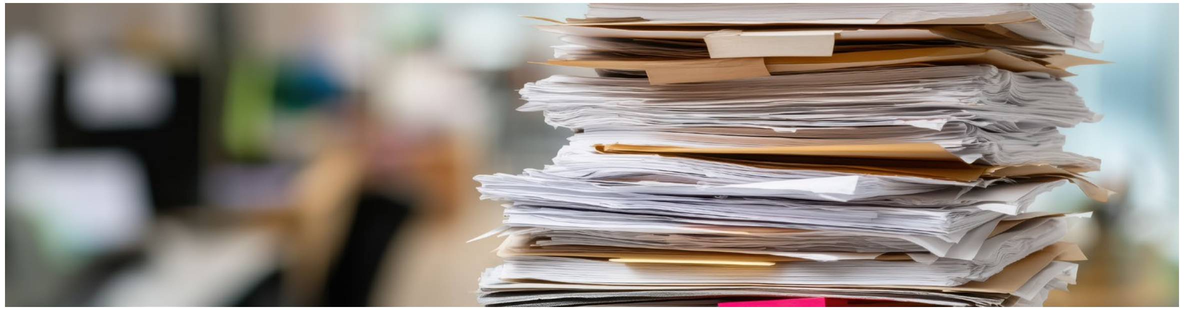
Agenda

- Big picture electronic data interchange (EDI).
- Types of EDI.
- Data collected.
- Data quality.
- Highlights, uses, and volume.
- Areas for improvement.

Big picture



EDI basic terms		“Paper” equivalent
Carrier **system** to DWC **system**	→	**People** (fax, mail, SFTP) to **people** (paper or scan)
Report	→	A form
Transaction	→	A bunch of forms
Acknowledgement	→	Response from receiver
Data	→	Information in each part of the form
Values	→	Categories and codes (when applicable)
Editing	→	Check the form for complete and correct information

TDI Division of Workers' Compensation

Types of EDI – Texas DWC

Claim EDI

- Data related to workers' compensation claims and injuries.
- Carriers or their agents send claim EDI reports to DWC.
- Carriers and DWC use the IAIABC Claim Release EDI 3.1.4 standard to exchange claim data.

Medical EDI

- Data about medical services and exams received by injured employees.
- Carriers or their agents send claim EDI reports to DWC.
- Carriers and DWC use the IAIABC Medical State Reporting Release 1 standard to exchange medical data.

Proof of coverage (POC)

- Data about covered employers.
- Carriers or their agents sent POC reports to DWC.
- Carriers and DWC use the IAIABC POC Release 2.1 standard to exchange coverage data.

How many states collect all three types of EDI?

One (Texas)

DID YOU KNOW?

Data collected

Claim

- **First reports of injury** (FROI). Ex: original, changes, full denials. (Total = 15)
- **Subsequent reports of injury** (SROI). Ex: initial payments, suspension of payments, partial denials. (Total = 29)
- See the Event Table for a full list of FROI and SROI transaction types.

Medical

- **Original** – medical bill paid, reduced, or denied.
- **Reconsideration** – reconsideration medical bill paid, reduced, or denied.
- **Replacement** – corrected report.
- **Cancel** – reported in error.

Coverage

- Initial notice of coverage.
- Addition.
- Change.
- Deletion.
- Cancellation.
- Reinstatement.
- Non-renewal.

Editing = quality data

Claim EDI

- **Formatting.** Ex: Employer FEIN (9-digit numeric), Time (HHMM).
- **Sequencing.** Ex: FROI before SROI.
- **Valid values.** Ex: Nature of injury and cause of injury codes, certified network certificate number, carrier FEIN.
- **Logical edits.** Ex: The accrual date must be greater than the date of injury.
- **Conditional edits.** If a date of death is present, carrier must indicate whether the death resulted from a compensable injury.
- **Population restrictions.** Employee ID assigned by jurisdiction must be 999 + reported DOI or 999 + reported DOB.

Medical EDI

- **Formatting.** Ex: Carrier FEIN (9-digit numeric), Date (MMDDYYYY).
- **Sequencing.** Ex: Original before reconsideration.
- **Valid values.** Ex: Current procedural terminology (CPT) codes, diagnosis codes (ICD-10, ICD-9), national drug codes (NDC).
- **Logical edits.** The date of service must be on or after the date of injury.

Coverage EDI

- **Formatting.** Similar to claim and medical.
- **Sequencing.** Ex: Initial notice before cancellation.
- **Valid values.** Valid USPS address.
- **Logical edits.** Policy start date must be less than or equal to the policy end date.

Can you guess how many edits are applied to a single claim EDI report?

A lot!

DID YOU KNOW?

Claim EDI highlights

- New claim EDI standard adopted on **July 26, 2023**.
- More robust editing significantly improved quality of existing data and ensure quality of new data.
- TXCOMP (DWC's system) receives, stores, and displays claim data to internal staff.
- DWC automated manual processes and correspondence using new data.
- Reduced claim EDI processing time from an average of **5 days** to **1 business day or less**.
- Claim data readily available for analysis, oversight, legislative requests, and more.

Claim EDI data uses

Accrual date

Required with initial payments report

- More precise calculation of timeliness of initial payments.
- More efficient insurance carrier performance-based oversight (PBO). Reduced DWC's FTEs needed for review from five to two.
- Data used to identify claims for compliance audits.
- More accurate carrier scorecards for timeliness of initial payments.

Lump sum payments

CCH orders, agreements, payments to SIF

- Verify payments after contested case hearing decision and order.
- Search for payments after DWC Form-024 agreements.
- Search for payments to the Subsequent Injury Fund (SIF) following another EDI report (death with no known beneficiaries).

Adjuster contact information

Required for denied claims and those eligible for benefits

- Easy access to assigned adjuster contact results for better and faster customer service.
- Adjuster data is readily available for automated correspondence, minimizing delays.
- DWC provides education and assistance to adjusters whose EDI reports are rejected.
- Better for DWC customer service representatives.

Network information

Non-network, certified network, and 504 network data

- Eliminates nearly all manual network verification using fax.
- Saves time for adjusters by eliminating need to fax network requests.
- Eliminates delays to approval of designated doctor (DD) exam requests based on missing network status.
- Eliminates delays to approval of change in treating doctor.

Claim EDI volume and rejections (CY 2025)

Reports filed:
940,117

FROI:
563,147 or 60%

SROI:
376,970 or 40%

Rejections:
51,083 or 5% (yay!)

Top rejection reasons:

Rejection reason	How to fix it	For help with claim EDI
Invalid event sequence.	Review the sequencing rules in the DWC Edit Matrix.	Send an email to txdwcedi@verisk.com
Benefit data on a suspension does not match previous report.	All benefit types paid must be present on a suspension report.	
Injured employee’s personal data does not match the previous report.	Send a change report to update last name, first name, DOI, DOB, or SSN.	

Medical EDI highlights

- DWC has collected medical data since **2005**.
- Data consists of a combination of detailed billing and payment information.
- Includes all medical services: professional, hospital, pharmacy, and dental.
- Carriers send a report within 30 days of when they pay, reduce, or deny a medical bill.
- Heavily-used for external reports and internal analysis.
- Medical data readily available for analysis, oversight, legislative requests, and more.

Medical EDI data uses

Billing codes

CPT, HCPCS, ICD-10-CM, and PCS, Modifiers

- Data used to identify work status reports for health care provider PBO by looking for billing code 99080 with modifier 73.
- More accurate carrier scorecards for timeliness of bill processing and reconsiderations.
- Non-confidential medical data made available on the public on the Texas Open Data Portal, significantly reducing open records requests.
- Internal monitoring of code usage.

Health care provider and health care facility information

- Provides the identity of health care providers for PBO and audit selection.

Medical bill payment amounts

- Provides readily available data for fee schedule analysis.
- Provides readily available data for DWC cost studies.
- Allows for better compliance monitoring with DWC fee schedules.

Medical EDI volume and rejections (CY 2025)

Reports filed:

2.6 million

Rejections:

19,000 or 1%

Top rejection reasons:

Rejection reason	How to fix it	For help medical EDI
Billing code is invalid (CPT, HCPCS, DRG, ICD-10).	The codes are either not valid or missing in DWC's database.	Contact edisupport@tdi.texas.gov for help with rejections.
Required data is missing.	Review the DWC Data Element Requirement Table.	
Carrier and third-party administrator relationship not recognized.	Contact edisupport@tdi.texas.gov to update your profile.	

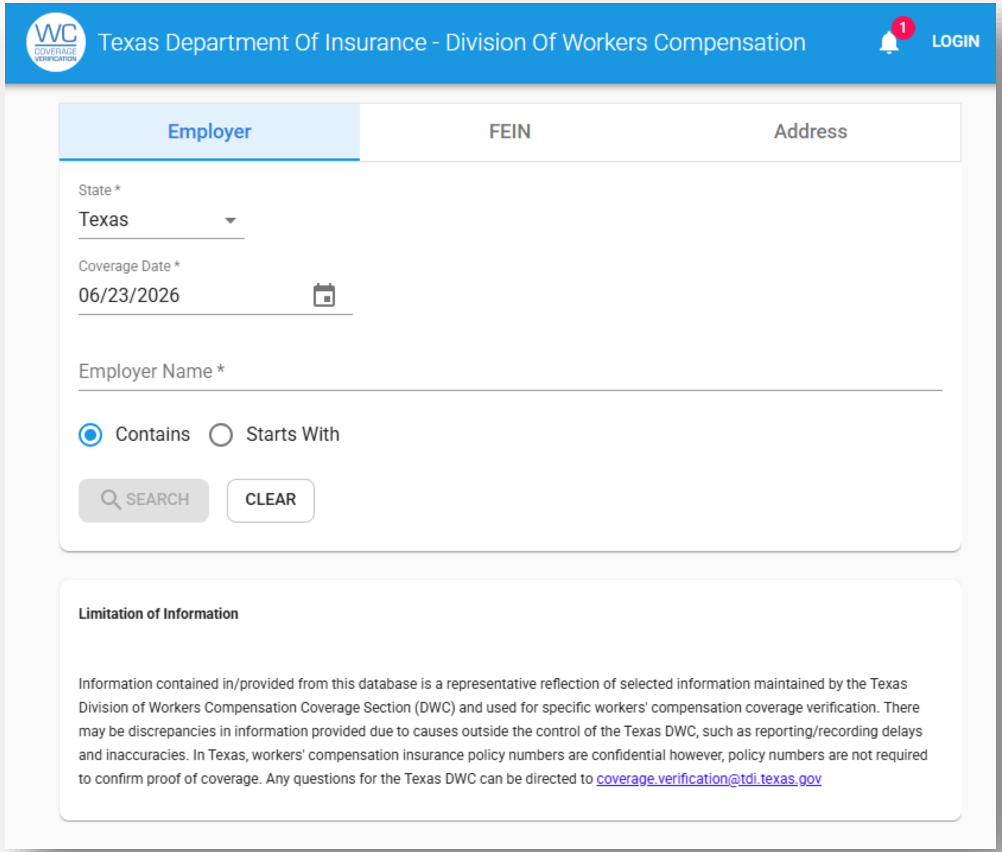
Coverage EDI highlights

- DWC has collected POC since **2009**.
- Data consists of covered employer names, coverage periods, policy information, and the name of the carrier that provides coverage.
- All insurance companies licensed to write workers' compensation in Texas report coverage information.
  - Note: Governmental entities are excluded from POC EDI reporting. They provide coverage information through TXCOMP.
- Coverage data is readily available for analysis, oversight, legislative requests, and more.

Top uses of coverage data

Anyone can check if an employer has Texas workers’ compensation coverage by searching the TXCOMP NCCI Employer Workers’ Compensation Coverage Verification database:

- Health care providers.
- Injured employees.
- Attorneys.
- DWC customer service representatives.



You can download a full list of Texas employers with workers’ compensation coverage on the Texas Open Data Portal.

- Note: Private employers are not required to have workers’ compensation coverage in Texas.

Can you guess how many Texas workers' compensation coverage searches occur in one year?

Over 300,000

DID YOU KNOW?

Help DWC improve data quality and analysis

Claim

Requirements:

- Send EDI reports when requested by DWC (email, phone call, letter CS-11).
- Send FROI-04 and PLN-01 for “no coverage” scenarios.
- Payment dates reported on a SROI initial payment for TIBs must include an accrual date.
- An employer paid report can only be filed if the employer continues to pay benefits after the accrual date.

Medical

Optional:

- Report the preauthorization code when present in field 23 of the CMS1500 professional medical bill.
- Report the preauthorization code when present on field 63 of the CMS1450/UB04 institutional medical bill.
- Tell DWC that preauthorization, concurrent review, or voluntary certification of health care was approved.
- Give DWC the unique number assigned to an order for DD exam (CMS1500).

Coverage

Requirements for coverage reporting are found in 28 Texas Administrative Code Section 110.1.

When was [illegible] born?

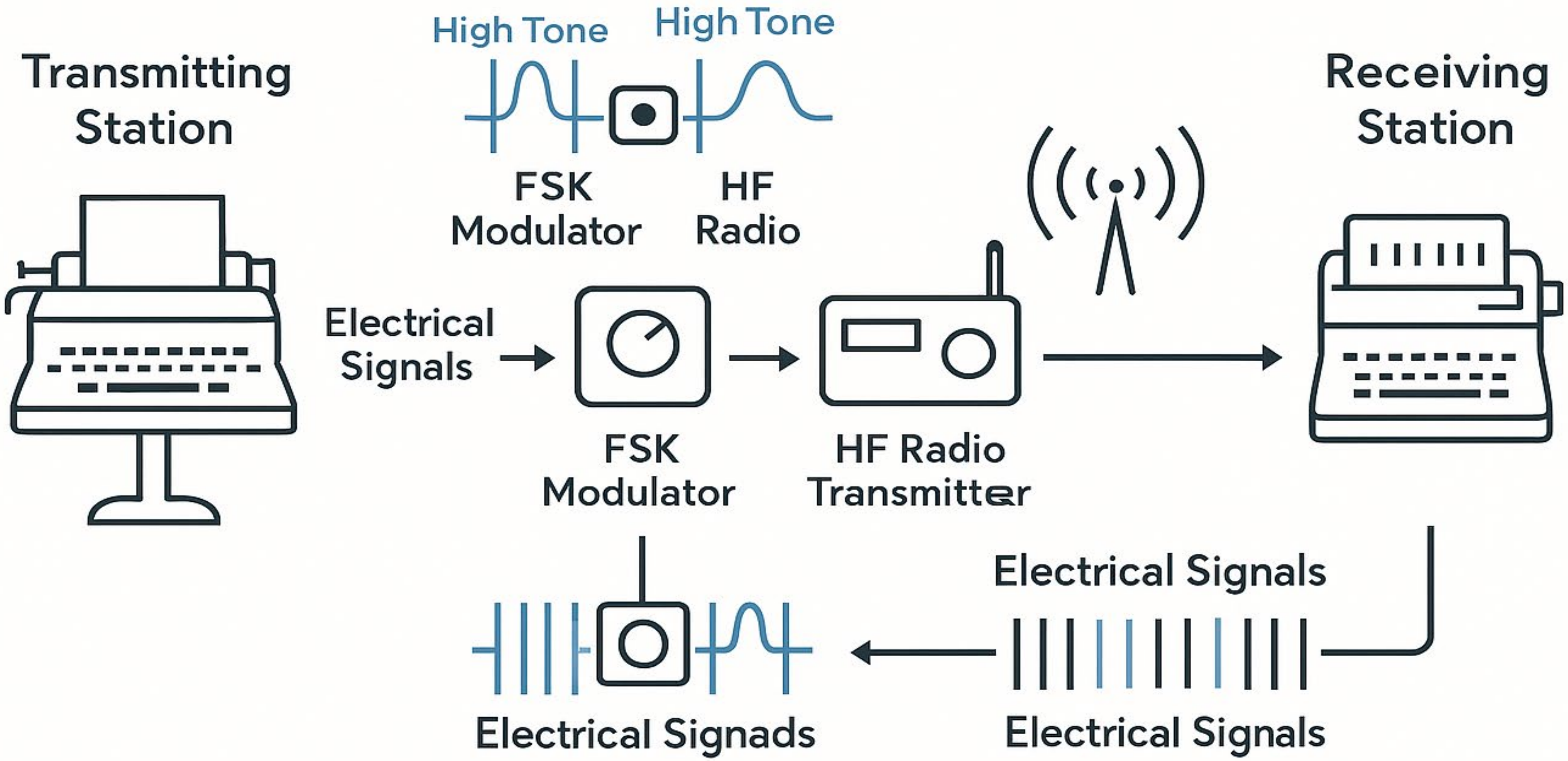
1948

DID YOU KNOW?

Origins of EDI

- Electronic Data Interchange (EDI) traces its origins to the 1948 Berlin Airlift. There was a need for the U.S. Air Force to more efficiently manage the enormous flow of aircraft and supplies into Berlin.
- Edward A. Guilbert used teletype equipment with radio-teletype (RTTY) transmitters in 1948 to send electronic messages from airlift coordination centers in West Germany (primarily Wiesbaden and Frankfurt) to Berlin’s Tempelhof and Gatow airfields.
- Though basic by modern standards, this early electronic communication laid the foundation for the formal EDI systems developed in the decades that followed.

RADIO-TELETYPE (RTTY)



DWC Enterprise Automation Services contacts

EDI support

- **What we do:** Assist anyone with questions about claim EDI reporting, medical EDI reporting, and electronic medical billing standards.
- **How to reach us:** Email Claim EDI at txdwcedi@verisk.com and medical EDI at EDISupport@tdi.texas.gov

Coverage verification

- **What we do:** Answer questions about employer coverage, non-subscriber filing, and proof of coverage reporting.
- **How to reach us:** Email Coverage.Verification@tdi.texas.gov