



Washington State Department of
Labor & Industries

**Self-Insurance Medical Bill Electronic Data Interchange (EDI)
Implementation Guide**

Version 1.4

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Introduction

This guide contains the Washington-specific supplemental information to be used in conjunction with the IAIABC EDI Implementation Guide for Medical Bill Payment Records Release 2.0, February 1, 2017. Should this guide contain information that is contradictory to that contained in the IAIABC EDI Implementation Guide for Medical Bill Payment Records Release 2.0, February 1, 2017 this guide prevails.

This guide explains the technical design and functionality of the Washington Labor and Industries (L&I) EDI system, testing options for the trading partners, instructions regarding the medical billing data elements, and reporting standards and requirements. It is posted on the Washington L&I EDI Web site at <http://www.walniedi.info>.

IAIABC

The International Association of Industrial Accident Boards and Commission (IAIABC) was founded in 1914 with the mission of improving the newly developed worker's compensation systems. The IAIABC EDI Committees, composed of representatives from jurisdictions and the insurance industry, meet regularly to develop and maintain standards for electronic reporting of workers' compensation information to jurisdictional regulatory agencies.

The IAIABC Workers' Compensation Medical Bill Data Reporting Implementation Guide Release 2.0 is based on the ASC X12 837 Health Care Claims (837) and the ASC X12 824 Application Advice (824) 005010 standards (data submission and application level response).

IAIABC members may get a copy of the IAIABC Release 2.0, February 1, 2017 guide from the IAIABC website: <http://www.iaabc.org>.

ASC X12

The Accredited Standard Committee (ASC) X12 develops and maintains EDI standards which drive business process globally.

The Washington L&I Medical Bill EDI also uses the ASC X12 997 Functional Acknowledgments for Health Care Insurance.

Jurisdictions or organizations that need additional information on the ASC X12 005010 standard to include Health Care Claims (837), Application Advice (824) and Functional Acknowledgments (997) can purchase a copy of the standard from Washington Publishing Company at <http://www.wpc-edi.com>.

Goals of Medical Bill EDI

The overall goal of the Washington L&I Medical Bill EDI is to close the gap between Washington's State Fund and Self-Insured workers' compensation medical data. In addition, collection of this data will:

- Improve benchmarking for Self-Insured Employers with other states as well as medical data for Washington in general.
- Help inform policy decisions related to treatment, such as risk of harm, independent medical examinations, and clinical guidelines.
- Enable better collaboration with L&I on key initiatives to improve medical outcomes for injured workers and the overall system.

Resources

Washington Medical Bill EDI website

www.walniedi.info

Washington Medical Bill EDI questions should be sent via email

walniedi@iso.com

Washington Medical Bill Webinar is on the Medical Bill ED website at 'What's New'

<https://walniedi.info/news>

IAIABC

www.iaiaabc.org

ASCX12

<http://www.x12.org/>

Washington Publishing Company

<http://www.wpc-edi.com/reference/>

ISO Workers Compensation Solutions

L&I has selected ISO's Workers Compensation Solutions division to help implement our Medical Bill Reporting EDI. In addition to managing the technical aspects of data submittal, ISO will be your main contact for implementation, technical requirements, and any questions you may have.

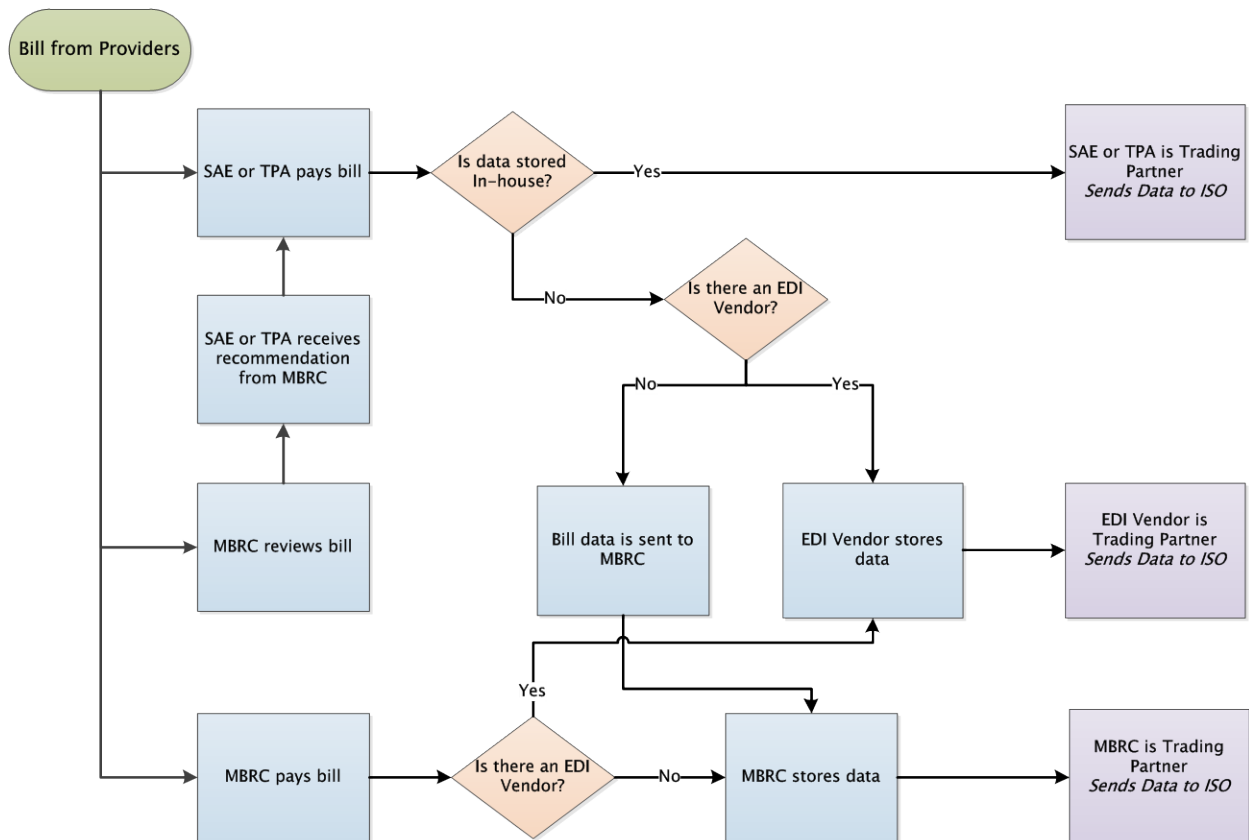
More information about ISO can be found at: <http://www.verisk.com/iso.html>.

Medical Bill EDI Process Flow

Medical bill data can flow from self-administered employer (SAE), third party administrator (TPA), EDI vendor or medical bill review company (MBRC) to ISO through Medical Bill EDI.

A self-insurer can have multiple trading partners submitting data on their behalf. For example, a SAE or TPA handles simple medical bills and contracts with a MBRC for more complex bills – both the SAE or TPA and the MBRC are trading partners and should register to submit medical bill data.

SAE, TPA, EDI Vendor, and MBRC specific and detailed Medical Bill EDI data flows are available. These can be found at https://walniedi.info/documents/WA_Medical%20EDI%20Flows.pdf.



Steps for Implementing

Here are high-level steps to assist with Medical Bill EDI implementation. Please note these are recommendations only. Each self-insurer, third party administrator or other data submittal entities will need to assess their individual business needs and readiness for implementation.

1. Obtain copies of all [support guides](#) needed (IAIABC Medical Release 2.0 Guide, ASC X12 Standards Manual, etc.)
2. Obtain [Washington L&I Implementation & Requirements](#) information.
3. Determine how you will [handle your EDI reporting](#).
 - a. Report for yourself or,
 - b. Have another entity submit on your behalf.
4. Validate the [“certified” Insurer FEIN](#) that Washington has on file for your company.
5. Submit the required [Trading Partner Profile](#).
6. Begin the [testing](#) process.
7. Begin production reporting.

Insurer Responsibilities

All self-insured employers should plan to submit medical bill data via EDI beginning July 1, 2017. Be sure to allow adequate time for system preparations and testing prior to July 1, 2017.

Self-insurers may become trading partners and submit their own data, or they may make arrangements to have their data submitted by other trading partners.

Regardless of any data submittal arrangements, self-insurers are individually responsible for ensuring the complete, accurate, and timely submittal of all required data, and for full compliance with all medical bill EDI requirements.

Federal Employer Identification Number (FEIN)

The self-insurer’s Federal Employer Identification Number, or FEIN, will be used to identify the self-insurer for whom data is being submitted.

L&I must have one FEIN on file for each self-insurer that has been “certified” as the primary insurer FEIN. The “certified” FEIN will be referred to as the Insurer FEIN from this point forward. Insurer FEIN is also known as DN0006 (Data Element Number 0006).

Existing self-insurers must validate their Insurer FEIN with L&I by contacting Certification Services at CertificationSvc@Lni.wa.gov. Entities applying to become self-insured will be required to provide this number during the application process.

Each self-insurer must provide their Insurer FEIN to the trading partner that will submit their data. The trading partner must have this information before completing the trading partner profile on behalf of the self-insurer.

The Insurer FEIN is used to validate:

- The identity of the self-insurer
 - If the Insurer FEIN reported can't be identified as belonging to a specific self-insurer, then all data with that Insurer FEIN will fail.
- The relationship between the medical bill data being submitted, and existing claim records in L&I's system
 - If the Insurer FEIN reported is not the same as the one attached to a claim in our system, then all medical bill data for that claim will fail.

Self-insurers must also notify L&I immediately of any changes related to the Insurer FEIN. Unreported changes may cause data submittals to fail. FEIN changes can be sent to CertificationSvc@lni.wa.gov.

Trading Partners

A trading partner:

- Is the sender of the data
- Enters into an agreement to exchange data electronically with Washington.

Any organization that is willing and able to submit data can become a trading partner. Examples include individual self-insurers, third party administrators, medical bill review companies, and EDI Service Providers (vendors).

The first step in becoming a trading partner is to complete an online registration form called a trading partner profile (go to walniedi.info, select [Trading Partner Profile](#)). This record will capture information such as:

- Identification and contact information for the entity planning to submit data
- Whether they will submit data on behalf of others
- If so, whose data they will submit

Note: Self-insurers that are not submitting their own data should not complete a trading partner profile. Instead, the entity submitting for you should indicate in their trading partner profile that they will be submitting on your behalf.

The trading partner profile is used to establish communication protocols with each trading partner with respect to:

- What file format to expect,
- Where to send an acknowledgment,
- When to transmit medical bills and similar information.

Sender ID

Each trading partner, or sender, has a unique identification composed of the trading partner's FEIN. We refer to this as the Sender ID (DN0098). The main purpose for the Sender ID is to establish a number that provides unique identification for your company. When we process the medical bill data, the Sender ID lets us know:

- Who the data is from
- To whom the data acknowledgment should be sent.

The Sender ID must be reported in the Medical Bill file of every transmission. For those trading partners who are sending their own data, the Sender ID FEIN will be the same as the Insurer FEIN.

Receiver ID

Within each Medical Bill file the trading partner must identify the entity receiving the Medical Bill file transmission. The Receiver ID (DN0099) for Washington L&I consists of our FEIN (916001069).

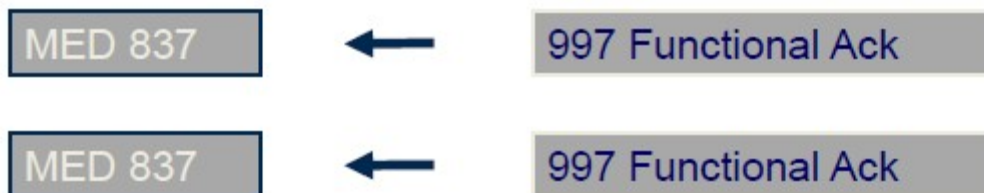
More information about Sender and Receiver ID's can be found at <https://walniedi.info/impl-info>.

Flow of EDI Report & Communication of Status

The X12 997 Functional Acknowledgment, reports the status of a received interchange. It reports each structure error encountered while processing the received document.

L&I will receive the Medical file (837) and send a 997 Functional Acknowledgment for each Medical file sent to L&I.

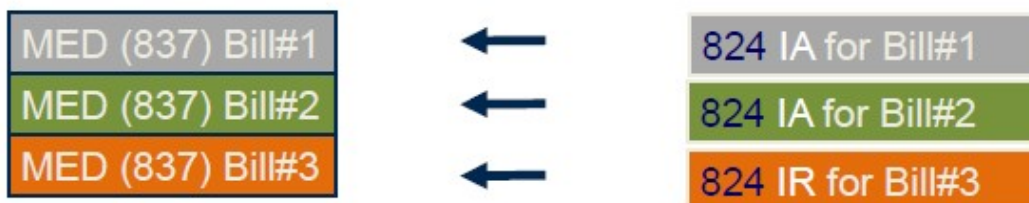
Trading Partner sends (837): **WA L&I returns Acknowledgments (997):**



If the Medical 837 file passes the structure edits as indicated by the 997 then L&I sends a EDI Acknowledgment Record (824) for each Medical report (837) sent to L&I.

The acknowledgment records will be contained in one file to match the corresponding medical bill report file.

Trading Partner sends (837): **WA L&I returns Acknowledgments (824):**



Health Care Claim

The ASCX12 837 Health Care Claim is the standard and format by which a sender sends individual medical bill data. The structure of submission of the individual bill data (header, loops, data elements, segments and trailers) can be found in the Washington L&I Medical Element Requirement table. This table can be found at <https://walniedi.info/requirements>.

For more detailed information about the submission structure of the 837 Health Care Claim outlined in the Washington L&I Medical Element Requirement table please reference the IAIABC EDI Implementation Guide for Medical Bill Payment Records Release 2.0, February 1, 2017.

IAIABC members may get a copy of the IAIABC Release 2.0, February 1, 2017 guide from the IAIABC website: <http://www.iaabc.org>. Non-members may purchase a copy from IAIABC <http://www.iaabc.org>.

Functional Acknowledgement

The ASC X12 997 Functional Acknowledgement, reports to the sender the initial status of a received medical bill transaction (837). It reports receipt of a fatal error free transaction or if errors are found it reports each fatal error encountered while processing the received transaction. Please see the [Medical Data Element Requirements](#) section of this guide for more information on the data elements requirements.

Application Advice

The ASC X12 824 Application Advice reports to the sender the status of a received medical bill transaction (837) after passing the Functional Acknowledgement (997) level. It reports whether the medical bill transaction was accepted (IA) or rejected (IR).

An ASC X12 824 IR status reports each element error encountered while processing the received medical bill transaction (837). Please see the [Medical Data Element Requirements](#) and the [Medical Data Element Edits](#) section of this guide for more information on the data elements requirements and the edits applied.

Failure to Validate Medical EDI Bills

Validate to Account ID; no match file will fail

The Insurer FEIN is used to verify the existence of a valid self-insurer account.

The Insurer FEIN is:

- Verified during the Trading Partner registration process

- Mandatory for all required medical bill types; and must match the FEIN approved during Trading Partner registration

Otherwise the medical file will receive an IR (transaction rejected) acknowledgment.

Validate claim to Insurer; no match bill level data

The Insurer FEIN is used to verify the relationship of the claim to the insurer. If the reported Insurer FEIN doesn't match the FEIN in L&I's system for the reported claim; the medical bill will receive an IR (transaction rejected) acknowledgment.

Validate bill data to claim; no match bill level data

Three data elements are used to map the medical bill data to a specific claim in L&I's system:

1. Jurisdictional Claim Number (DN0005),
2. Date of Injury (DN0031) and
3. Date of Birth (DN0052)

These 3 data elements are mandatory for all medical bill types; and must match those found in L&I's system. Otherwise the medical bill will receive an IR (transaction rejected) acknowledgment.

Medical Bill EDI Requirement Tables

Medical Data Element Requirements

The Washington L&I Medical Element Requirement table can be found at <https://walniedi.info/requirements>. This table lists the individual data element:

- Requirements defined for each bill type
- Specific reporting conditions.

Standard requirement code values:

The standard requirement code values are utilized in the medical data element requirement table to indicate the reporting requirement for each data element. Below are the six standard requirement code values adopted by the Washington L&I.

F Fatal Technical

Data element is essential for a transaction to be accepted in Washington's L&I database or for an acknowledgement (997) to be sent back to the sender. If the data is missing or invalid, the entire medical bill (837) transaction will be rejected. Rejection will occur at the 997 Functional Acknowledgement level.

M Mandatory

The data element must be present and must be a valid value and format or the transaction will be rejected. Rejection will occur at the 824 Application Advice level.

MC Mandatory/Conditional

The data element becomes mandatory under stated conditions. If the defined condition exists, the data element becomes mandatory and mandatory rules apply (the data element must be present and must be a valid format or the transaction will be rejected). Rejection will occur at the 824 Application Advice level.

AA Applicable/Available Item Accepted

Data should be sent if applicable and/or available. The data may or may not be populated. If the data is applicable to the bill and data is available, data must be sent. If reported, data is accepted and will not be edited for valid value and/or format.

AR Applicable/Available Item Rejected

Data should be sent if applicable and/or available. The data may or may not be populated. If the data is applicable to the bill and data is available, data must be sent. If reported, data will be edited for valid value and/or format. Rejection will occur at the 824 Application Advice level.

NA Not Applicable

The data element is not applicable to the Washington L&I requirements for the bill type and may or may not be sent. If the data element is sent the transaction will be accepted, edits will not be applied and the data will not be stored in our database.

Medical Data Element Edits

The Washington L&I Medical Edit Matrix table can be found at <https://walniedi.info/requirements>. This table provides information on the edits that will:

- Apply to each data element
- Be applied based on the population of the data element.

The error codes associated with each edit will be transmitted back to the trading partner as part of the 824 acknowledgement file.

The following 4 tables are located in L&I Edit Matrix. Here's a brief description of what each table provides

1. **DN-Error Message:** Contains "standard" editing messages developed for Medical Release 2.0 data elements.
2. **Valid Value:** Gives L&I's acceptable code values for data elements with codes.
3. **Match Data:** Describes the data elements that will be used to determine if the report will either:
 - Create a new report
 - or
 - Find an existing report or transaction in L&I's database.
4. **Population Restrictions:** Contains any L&I restrictions applied to the data element(s).

Sequencing Detail Table

This table contains L&I's Bill Submission Reason Codes (BSRC) types with the order or sequence that they can be sent. The sequencing table mimics the bill processing events that typically occur during the life of a bill.

Medical Data Events

The Washington L&I Medical Event table can be found at <https://walniedi.info/requirements>. This table relates EDI information to both the:

- Circumstances under which they are initiated
And
- Timeframes for sending the information.

Jurisdiction Procedure and Modifier Codes and Edits– Fee Schedule Usage

The Jurisdiction Procedure Billed/Paid Code (DN0715, DN0729) and Jurisdiction Modifier Bill/Paid Code (DN0718, DN0730) fields are based on Washington L&I's Fee Schedules and Payment Policies, also known as MARFS (Medical Aid Rules and Fee Schedule).

Fee Schedule and Payment Policies may be obtained from the Washington L&I website at <http://www.lni.wa.gov/apps/FeeSchedules>. The Fee Schedule is published on July 1 of every year and covers dates of service starting July 1st of the published year through June 30th of the upcoming year. For example the 2016 Fee Schedule covers dates of service 7-1-16 to 6-30-17.

Within each Fee Schedule the codes to be used for the above data elements are found under the "Professional and Facility Services Fee Schedules" table under the label 'Local Codes by Code'.

The Washington L&I Medical Bill EDI will validate the code used to ensure that it is valid per the applicable Fee Schedule. If the code is invalid then you will receive an error on your medical bill acknowledgment of 039: No match on database for the applicable data element.

More Examples:

Bill for dates of service 6-1-15 use 2014 Fee schedule.

Bill for dates of service 7-1-15 use 2015 Fee schedule.

Bill for dates of service 6-1-16 use 2015 Fee schedule.

Bill for dates of service 7-1-16 use 2016 Fee schedule.

Pharmacy Bills: How to Report Referring Provider

Pharmacy Bills should be reported to L&I as described in the L&I Event Table. Referring Provider Data Elements (DN0691, and DN0699) are used to report the Prescribing provider information on the pharmacy bill.

Adjustment Reason Codes

Adjustment reason codes are used to indicate why a bill or a service line was paid differently than it was billed. For the IAIABC Medical Bill EDI R2.0 the Bill Adjustment Group Code (DN0543), Bill Adjustment Reason Code (DN0544), Service Adjustment Group Code (DN0731) and Service Adjustment Reason Code (DN0732) are where this is reported.

The IAIABC Medical bill EDI R2.0 follows the ASCX12 code standard for this field. More information about the group code and reason code as well as the code list for these fields can be found at <http://www.wpc-edi.com/reference/codelist/healthcare/claim-adjustment-reason-codes/>.

Testing

The Washington Department of Labor and Industries Medical TP Test Scenarios-Tracking Plan provides guidance for the Trading Partners to successfully complete testing for the Health Care Claim (ASC X12 837/005010) and Application Advice (ASC X12 824/005010) Scenarios.

How do I get started?

If you are going to be a Trading Partner then you will need to review the L&I Medical Bill Requirement Tables and other various documentation, such as IAIABC Medical Bill Payment Records Release 2.0 Guide and ASCX12 837 Health Care Claims (837) and the ASC X12 824 Application Advice (824) 005010 standards (data submission and application level response) guide, as referenced in this guide.

Before I can start testing, what is needed?

Before you can begin testing, you will need to sign up as a Trading Partner by going to walniedi.info and select Trading Partner Profile. There is a procedures document that will assist you with the completion of the profile and if you need help, send an email to walniedi@iso.com. The profile registration will ask you for information like contacts, FEIN's and Names, and other various information. Fill out the profile and await approval or next steps for changes; this typically will occur within 3 days or less.

Who has to test?

Testing is only required for the organizations that are classified as the Sender of the data. If a Sender will be sending for multiple companies, only one test will be needed for all of the companies supported. In other words, only the companies that are approved as a Trading Partner will need to complete the test.

When do I test?

You can begin testing as soon as you are approved as a trading partner. Once your testing is completed, then you can start reporting the Medical Bills as early as January 3, 2017. All trading partners should have testing completed and be prepared to begin reporting by July 1, 2017.

What has to be tested?

L&I has provided the '[WA L&I Med Test ID-Tracking](#)' worksheet that presents a list of the test scenarios that L&I would like to have tested for the Medical Bills. The worksheet provides 2 services, the:

- List of the test scenarios and
- Spreadsheet that can be utilized as a tool to document the testing progress which will later be used to validate successful testing.

How do I track what has been tested?

Upon completion of each test, the information and results should be recorded in the spreadsheet. The column labeled 'Pass=P, Fail=F, RP=Retest Pass' will indicate the test result status. When all of the test cases have been completed and the column labeled 'Pass=P, Fail=F, RP=Retest Pass' is = P or RP, this will be an indication of successful completion of the testing.

If there is a valid reason why you can't complete a test case, document that in the comments section of your test case. For example, a TPA or the employer may submit professional bill types; while a Medical Bill Review Company submits hospital, pharmacy or dental bills. The TPA or employer would document this reason for being unable to complete a test case for a hospital bill, for example.

Please save the 'WA L&I Med Test ID-Tracking' with the following format: (Insert Company Name)-WA L&I Med Test ID-Tracking (Insert Date Test Completed).xls

How do I obtain production approval status?

To obtain approval for production status: Send an email to the WA L&I Medical EDI Support Team at walniedi@iso.com with the:

- Email Subject: (Include Company Name) Medical Test Completed
- Attach the completed Medical TP Test Scenarios-Tracking Plan.xls with filename shown above to this email.

Upon receipt of the email, the WA L&I Medical EDI Support Team will review the results and respond to the same email with the approval or next steps.

Appendix A: WA Medical Bill EDI Glossary

Account ID - The industrial insurance account number, also known as the L&I account number, firm number and employer identification (ID) number. The Insurer FEIN is used to map to the L&I Account ID for verification of claim to insurer relationship.

Accredited Standards Committee (ASC) - The ASC-X12 is maintained by a committee authorized by the American National Standards Institute (ANSI) to develop and maintain the Electronic Data Interchange (EDI) Standards used primarily in the United States.

Acknowledgement - An 824 transaction set used to report the acceptance or rejection of an entire transaction set, or the status of individual medical bills within an accepted transaction set.

American National Standards Institute (ANSI) - The national standards body for the United States. ANSI, through its accredited standards committees, keeps the standards for all applications of technology and mechanics for U.S. Industry. Business documents in the U.S are often referred to by their ANSI code such as 850 (PO), 810 (Invoice) and 856 (ASN).

ANSI ASC X12 - American National Standards Institute, Accredited Standards Committee X12, which comprises government and industry members who create EDI standards for submission to ANSI for approval and dissemination.

Application Acknowledgment - A transaction set whose purpose is to return a response to a transaction set that has been received and processed in an application program. For example, the Purchase Order Acknowledgment transaction is used to respond to the Purchase Order transaction with content such as whether the receiver can fulfill the order and if it can be done on time.

EDI – See Electronic Data Interchange

Electronic Data Interchange (EDI) – is an electronic communication method that provides standards for exchanging data via any electronic means. By adhering to the same standard, two different companies or organizations, even in two different countries, can electronically exchange documents (such as purchase orders, invoices, shipping notices, and many others). EDI has existed for more than 30 years, and there are many EDI standards (including X12, EDIFACT, ODETTE, etc.), some of which address the needs of specific industries or regions. It also refers specifically to a family of standards.

Federal Employer Identification Number (FEIN) - Same as EIN

FEIN – Federal Employer Identification Number, used by IAIABC for various reasons including identifying the trading partner-sender, insurer or claiming administrator.

IAIABC - International Association of Industrial Accident Boards and Commissions. See iaabc.org.

IAIABC Associate Membership - Associate membership is for private sector organizations involved or interested in the workers' compensation industry. These organizations could include (but are not limited to) insurers, third party administrators, medical providers, employers, service providers, law firms, and more. See http://www.iaabc.org/iaabc/Member_Types_and_Dues.asp for more details.

IAIABC Jurisdictional Member—Jurisdictional is one of 3 main types of IAIABC membership (other 2 types are Associate and EDI/Associate). Only Jurisdictional members have IAIABC business voting rights.

See http://www.iaabc.org/iaabc/Member_Types_and_Dues.asp for more details.

Jurisdiction—Governmental agencies, boards, rating bureaus, councils, and courts that administer and regulate workers' compensation acts, systems, and schemes.

Injured Worker (IW)— person who has filed an injury or occupational disease claim with L&I.

International Association of Industrial Accident Boards and Commissions (IAIABC) - Association representing government agencies charged with the administration of workers' compensation systems

Secure File Transfer— Short for Secure File Transfer Protocol, SFTP is a method of transferring files between computers over a secure SSH secure data stream.

Self-Insured Employer (SIE)—Employer or group of employers who has been authorized by the state to carry its own workers' compensation insurance.

Service Organizations— Organizations that manage industrial insurance claims for fee. Also referred to as third party administrators or TPAs

SFTP — See Secure File Transfer

Third Party Administrator (TPA)— Organizations that manage industrial insurance claims for fee. Also referred to as "service organizations."

TPA — See Third Party Administrator

Trading Partners — The sender of the data.

UBI — See Unified Business Identifier

Unified Business Identifier (UBI)—the number assigned to a firm or organization registered or licensed with a state agency.