

Issue Resolution Request

The Issue Resolution Request (IRR) process is the IAIABC's method of changing the national EDI standard when modifications or clarifications are needed. Changes must be undertaken thoughtfully and deliberately, and the amount and level of work that is needed to adjust the standard must be managed carefully. Therefore, requests will be screened early in the IRR process to ensure that the issue may appropriately be addressed in an IAIABC EDI standard.

IRR: CLM826
DATE: 3/9/2016
PRIORITY: Medium
STATUS: Open
FROM: Brenda Rinehimer on behalf of Workgroup B
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BUSINESS REQUIREMENT/ISSUE: Being able to report employer paid salary as a benefit credit code as an alternative to a 2xx Benefit Type Code.

1. What is the business requirement/issue? Cite any applicable statute/rules, and attach a copy, if desired.

Jurisdictions have different reporting requirements and rules around salary continuation, how it's defined and how it should be reported. The proposed changes intend to clarify that employer paid benefits may be reported as either a Benefit Type Code (2xx benefit) or as a Benefit Credit Code, but not both, and that the jurisdiction must specify in its Trading Partner Tables which of the two methods they will accept.

The changes proposed in this IRR are dependent on IRR CLM756, which intends to address how net zero paid amounts should be reported.

2. Is the information currently being collected at this time by the submitter? If yes, detail current method of collecting the information.

Yes. Similar information is being reported today as 'coordination' or 'holiday pay' in a Benefit Adjustment.

3. If the information is not currently being collected, what timeline does the submitter expect or require for implementation of the proposed change?

We would like to see these changes included in Release 3.1.

4. What other methods of collection or reporting, if any, have been considered?

Yes. Salary continuation can be reported as a Benefit Type Code under several 2xx codes, but there are different interpretations as to how employer paid benefits can be reported.

REQUESTER'S PROPOSED SOLUTION: Add a new Benefit Credit as an option for reporting Employer Paid Salary.

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Proposed Changes:

- 1) Change Employer Paid Population Rules, section 4i to clarify that salary continuation may be reported as a Benefit Credit Code or Benefit Type Code, but not both.
 - i. **Employer Paid Population Rules:** The following are the data -population rules to be followed when the employer is continuing salary in lieu of workers' compensation benefits. ~~Salary continuation is may be reported as a 2xx Benefit Type Code (DN0085). or as a Benefit Credit Code (DN0126), but not both. The jurisdiction must designate within their Trading Partner tables which one of these methods of salary continuation is accepted.~~ Unless excluded in the Population Restrictions tab of the jurisdiction's Edit Matrix, codes 210, 220, 221, 230, 242, 250, 251, 270 should be used if the claim administrator knows the specific benefit type for which the injured worker is being paid. Otherwise, code 240 should be used. Depending upon jurisdiction requirements, it is possible to receive the generic Benefit Type Code 240 as well as the specific Benefit Type Codes 210, 220, 221, 242, 250, 251, or 270 on the same transaction. MTC Code CB should be used when changing from any 2XX Benefit Type Code to any other 2XX Benefit Type Code, however, the Event Benefit Segments of the CB must comply with the chart below.
- 2) Clarify Benefit Credit Code definition so as to not limit it to examples where monies were recouped. In the case of employer paid salary, monies are not always recouped but can be applied as a credit or offset.

BENEFIT CREDIT CODE – DN0126

Definition: A code identifying a reduction that is applied to the Gross Weekly Amount to yield a new Net Weekly Amount to recoup monies previously paid ~~or offset (in part or in whole) a concurrent payment.~~

- 3) Add a new Benefit Credit Code to be used for Salary Continuation. ~~when a jurisdiction elects to use this option instead of a 2xx Benefit Type Code.~~

~~4 – Employer Paid Salary~~

~~Reduction or full offset of weekly benefits for amounts paid by the employer (including holiday pay) in lieu of or in addition to compensation for the same period. This does not include benefit adjustments covered under fringe benefits (Benefit Adjustment Code "W").~~

M = Credit for Employer Provided Benefits in Excess of Covered Weekly Benefit

Claim administrator's liability for payment of certain benefits is reduced or fully offset because the employer provided excess payments to the worker (in excess of the weekly benefit amount) by agreement, as provided by jurisdiction.

- An example of when benefits may be "reduced" is when a holiday is being paid within a week that benefits are due by the claim administrator.
- An example of when benefits may be "fully offset" is when Weekly Income Amount for Offset paid by the employer is >= benefits due by the claim administrator.
- This code cannot be used on EP or ER.

- 4) Modify Benefit Adjustment Code 'W' definition to clarify that it does not include salary covered under the new Benefit Credit Code above.

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W = Partial Wage Continuation

Weekly payment amount reduced for continuation of fringe benefits by the employer. (For example: room, board, health insurance, etc.) **This does not include benefit credits covered under employer paid salary (Benefit Credit Code ~~4~~ 'M').**

5) Effective Date of Change:

- a. The changes outlined in this IRR are dependent on resolving IRR 756/Benefit Adjustment for Reduction of Net Weekly Amount to Zero. If both IRRs pass, they shall be implemented at the same time. If IRR 756 does not pass, this IRR will have to be reconsidered.

REVIEWED BY: Tina Queen on 3/16/16

DISCUSSION/HISTORY:

FINAL PROPOSED RESOLUTION:

IMPACT STATEMENT:

- MI has had 832 claims involving Employer Paid Salary for a reporting period between 1/1/15-3/31/16 that reduced the net amount. (Not all involving reduction to zero). Coordination of benefits in MI allows the compensation rate to be offset by Employer Paid benefits.