

IRR CLM756 Net to Zero Proposed Resolution

3.1 Data Dictionary Changes

DN0002 Maintenance Type Code changes below...

IP = Initial Payment –

- A claim administrator has issued the first payment of an indemnity benefit, other than a lump sum payment/settlement, or
- An indemnity benefit is due, but the benefit has net to zero (i.e. no indemnity benefit payable to the injured worker) due to a complete offset from an adjustment or credit, or
- Temporary Partial Disability benefits are due, but the injured worker is earnings more than his comp rate.

DP Rule:

- The Initial Payment transaction implies that indemnity benefit payments are ongoing, or the benefit type has net to zero due to a complete offset from an adjustment or credit, or the injured worker is earnings more than his comp rate when Temporary Partial Disability benefits are due.

<... Remaining existing language still applies>

RB = Reinstatement of Benefits – Indemnity ~~payments~~ benefits (0xx) previously due or paid by the claim administrator have been resumed by the claim administrator, but the reinstated benefit type may or may not have been paid previously.

DP Rule:

The RB Maintenance Type Code should be used if either of the following conditions apply.

- A previous subsequent report must have been filed terminating all indemnity payments. Depending upon the jurisdiction's termination requirements, this could include an MTC SX (Full Suspension), an MTC 04 (SROI Full Denial) that is acting like a suspension when benefit(s) are being terminated at the time of the denial, or an MTC FN (Final).
- The Benefit Type Code being resumed may or may not have been previously paid.

CA = Change in Benefit Amount – The Claim Administrator has identified that the Net Weekly Amount (DN0087) for this benefit type has changed from the previously reported Net Weekly Amount, the Benefit Type Code has not changed, and benefits are not currently being reinstated. The exception to this would be if the Net Weekly Amount is being reduced to zero and the Reduced Benefit Amount Code = ? is present, the Net Weekly Amount may or may not change from what was previously reported. Refer to DP Rule under Net Weekly Amount. If the Net Weekly Amount is being changed in response to a TE, the CO MTC is used.

DP Rule:

<... Remaining existing language still applies>

NET WEEKLY AMOUNT – DN0087

Definition: For MTC's IP, CA, CB, AP, AB, 02, CO, RB, RE, PY, PX, SX (Benefit Type Code OXX series only): The weekly amount which is due by the current claim administrator for that benefit type, after applying adjustments and credits to the Gross Weekly Amount.

For MTC's EP and ER only (other than Benefit Type Code 240): The weekly amount of the workers' compensation benefit the employee would be receiving instead of salary paid in lieu of compensation benefits by the employer as continued wages.

DP Rule: Refer to Variable Segment Population Rules (Benefits Segment) in Section 4. The amount will equal the weekly rate as determined by jurisdiction statute (i.e. comp rate) plus or minus any applicable adjustments or credits for the corresponding benefit type. This is equal to the Gross Weekly Amount (DN0174) when there are no adjustments or credits. In the event of an acquired claim, the current claim administrator would report the Net Weekly Amount as it applies to their payments rather than to the previous claim administrator's payments. In the event of a benefit which has net to zero, jurisdictions shall not edit on the Net Weekly Amount as the amount present may not follow the calculation rules of Gross Weekly Amount minus Adjustments and Credits. Refer to Net to Zero Population Rules (Benefits Segment) in Section 4.

REDUCED BENEFIT AMOUNT CODE – DN0202

Definition: A code that identifies the reason a Benefits segment may be missing from a transaction or may contain values less than reported in a previous transaction due to a benefit amount being decreased or reclassified or a claim being reported that was settled under another Date of Injury.

Values: **? = Net to zero**

Indemnity benefit are owed to the injured worker, but because of a full offset due to an adjustment, credit, or reduced earnings, the Net Weekly Amount has been reduced to zero. This code is only present during the time the benefit is being reduced to zero. This code should not be used in conjunction with 2xx Employer Paid Benefits.

DP Rule: The presence of code “?” means that a “Benefits” segment may or may not be present on the transaction. The “Benefits” segment will only be present on the transaction of indemnity benefits had been paid for this claim prior to the Net Weekly Amount being reduced to zero.

<... Remaining existing language still applies>

(This definition change to the M code is proposed under IRR CLM826, but mentioned here as a reference)

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.

Values:

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. This code should not be used in conjunction with 2xx Employer Paid Benefits.

- 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.

Section 4, Variable Segment Population Rules, Proposed Changes/Additions:

Page 4.15

1. BENEFIT ACR SEGMENT (Adjustments, Credits, Redistributions):

f. If any Benefit Adjustment Amount or Benefit Credit Amount is the equivalent of the Net Weekly Amount for a specific Benefit Type Code and thus reduces the Net Weekly Amount to zero, resulting in no indemnity payment, see Net to Zero Population Rules under the Benefits Segment in Section 4. ~~the DP Rule under Net Weekly Amount in the dictionary for processing guidelines.~~

Page 4.15 – 4.16

2. BENEFITS SEGMENT:

d. If indemnity benefits have been paid, this segment should be included in each SROI transaction and is populated with the current values at the time of transmission based upon the jurisdiction’s Data Element Requirements table for the Benefit Type Codes indicated on the Population Restrictions tab of the jurisdiction’s Edit Matrix. The following table illustrates the minimum number of Benefits segments that should be expected for each SROI MTC. The exception to this would be that if all indemnity checks have been returned/cancelled/voided and Recovery Code 880 is present or if the Reduced Benefit Amount Code “S” ~~or “N”~~ or “?” is present, a Benefits segment may not be present on the transaction. A Benefit Segment previously reported, or the amount of Indemnity benefits paid on a claim may be fully or partially reduced from the Benefit Type Amount Paid that was previously reported if Reduced Benefit Amount Code “D” is present.

MTC	Minimum Number of Benefits on the Transaction
02 (Change) 04 (Denial) CD (Compensable Death) FN (Final) PD (Partial Denial) PY (Payment)* AC (Acquisition/Indemnity Ceased) AN (Annual) BM (Bi-Monthly) BW (Bi-Weekly) MN (Monthly) NT (Narrative) QT (Quarterly) SA (Sub-Annual) SU (Sync Up) UI (Under Investigation) UR (Upon Request) VE (Volunteer) <u>IP (Initial Payment) **</u> <u>AP (Acquired/Payment) **</u>	<p>E0 = A Benefits segment will not be expected for the MTC if indemnity benefits have not been paid. Data elements required when the Benefits segment is populated should be indicated in the jurisdiction’s Benefit Element Requirement table.</p> <p>*There may not be a Benefits segment present if the Payment Reason Code is equal to an Other Benefit Type Code or if a Reduced Benefit Amount Code of “S” (Claim Settled Under Another DOI) or “N” (No Money Settlement) is sent. There may not be a Benefits segment present if a Reduced Benefit Amount Code of “D” (Decrease in Indemnity) is sent; however, a “D” code would only apply if a Benefit segment(s) had previously been sent, but may have been sent in error or was moved to an “expense” category.</p> <p><u>**There may not be a Benefits segment present if the Reduced Benefit Amount Code “?” (Net to Zero) is sent.</u></p>

RB (Reinstatement of Benefits) **	
SX (Suspension) **	
CB (Change in Benefit Type) **	

MTC	Minimum Number of Benefits on the Transaction
04 (Denial) AP (Acquired/Payment) CA (Change Benefit Amount) CB (Change in Benefit Type)* EP (Employer Paid) ER (Employer Reinstatement) FN (Final) IP (Initial Payment) PD (Partial Denial) PY (Payment) (If Payment Reason Code is equal to Benefit Type Code) RB (Reinstate Benefits) RE (Reduced Earnings) SX (Suspension) AN (Annual) BM (Bi-Monthly) BW (Bi-Weekly) MN (Monthly) QT (Quarterly) SA (Sub-Annual)	<p>E1 = At least 1 Benefits segment should be expected for the MTC if indemnity benefits have been paid. Data elements required in the benefit segment in the MTC should be indicated in the jurisdiction's Benefit Element Requirement table.</p> <p>*There may only be one Benefits segment present if a Reduced Benefit Amount Code of "R" (Reclassification of Benefit), or a Reduced Benefit Amount Code of "D" (Decrease in Indemnity), <u>or "?" (Net to Zero)</u> is sent.</p>
MTC	Minimum Number of Benefits on the Transaction
AB (Add Concurrent Benefit) CB (Change Benefit Type)* PX (Partial Suspension)	<p>E2 = At least 2 Benefits segments should be expected for the MTC. Data elements required in the benefit segment in the MTC should be indicated in the jurisdiction's Benefit Element Requirement table.</p> <p>*When no Reduced Benefit Amount Code of "R" (Reclassification of Benefit), or a Reduced Benefit Amount Code of "D" (Decrease in Indemnity), <u>or "?" (Net to Zero)</u> is present.</p>

Page 4.19 (broke up the paragraph to make it easier to read)

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.

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, 230, 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.

<Chart>

Exception: If a jurisdiction requires DN409 (Weekly Income Amount for Offset) which is present in the ACR segment, then the amount the employer is paying must be reported using the IP or RB with OXX benefits and Benefit Credit Code = M.

Page 4.20 at the end of the Benefit Segment section:

j. Net to Zero population rules: The following are data population rules when the Net Weekly Amount of a benefit (Oxx) due by the claim administrator is zero due to an adjustment, credit, or reduced earnings.

- If the benefit type that is due has immediately net to zero, meaning the claim administrator has not made any payments on that benefit type code, the benefit segment may not be present.
 - An ACR segment will be present along with the Reduced Benefit Amount Code = ? to provide jurisdictions the information they need to identify the benefit has net to zero and no prior payments have been made by the claim administrator for that benefit type code.
 - A Reduced Earnings segment will be present along with the Reduced Benefit Amount Code = ? to provide jurisdictions the information they need to identify the 070 benefit is due, but no payments are being made by the claim administrator because the injured worker's earnings are greater than their comp rate.
- If the benefit type nets to zero after payments have been issued by the claim administrator, a MTC CA (Change in Amount) should be used. Jurisdictions shall not edit on any data in the benefit segment when Reduced Benefit Amount Code = ? is present.
- If an adjustment, credit, or reduced earnings changes where benefits are now due and the Benefit Type Code has not changed, Reduced Benefit Amount Code ? will be removed and MTC CA would be due.
- If the adjustment, credit, or reduced earnings ends where the associated benefit is no longer due, Reduced Benefit Amount Code ? will be removed and MTC SX would be due.
- A Payment Segment cannot be required when a benefit nets to zero due to either the Benefit Segment not being present because no payments have been made by the Claim Administrator for that Benefit Type Code or the benefit has net to zero resulting in a CA Change in Amount MTC.
- It is recommended that Jurisdictions consider requiring a Periodic MTC so benefits can be identified as ongoing even though dates may not appear to be advancing due to a net to zero situation.
- Employer Paid Benefits – Jurisdictions who require Weekly Income Amount for Offset (DN0409) will use Benefit Credit Code "M - Credit for Employer Provided Benefits in Excess of Covered Weekly Benefit". Refer to M code definition or Employer Paid population rules above.

Recommendations to Systems Committee:

- Show scenarios in the Element Requirement Table to show where benefit segment fields should not be edited.
- Review Event Table for net to zero scenarios on periodic MTC's.
- Include scenarios for net to zero in the 3.1 scenarios document.
- Review existing scenarios and adjust TPD scenarios for net to zero