

IDAHO INDUSTRIAL COMMISSION  
NEGOTIATED RULEMAKING  
MEETING MINUTES

of

Tuesday, June 11, 2015  
700 So. Clearwater Ln., Boise, Idaho  
1<sup>st</sup> Floor Conference Room

**Attendees of the Benefits & EDI Subcommittee:**

Mike Haxby, Intermountain Claims  
Dan Stephens – Advantage Insurance  
Woody Richards – Attorney Lobbyist  
Brad Eidam – Claimant’s Attorney

**Interested Parties:**

Connie Barnett – State Insurance Fund  
Paulette, Boyle - State Insurance Fund  
Lisa Kerns – State Insurance Fund

**Industrial Commission:**

Benefits Admin. Mgr. – Scott McDougall  
Chairman R.D. Maynard  
Commissioner Tom Limbaugh  
Commissioner Tom Baskin  
Director Mindy Montgomery  
Deputy Attorney General Blair Jaynes  
Law Clerk Stephanie Butler  
Law Clerk Claire Sharp-Minert  
Law Clerk Lacey Rammell-O’Brien  
Public Information Specialist Dara Barney  
Matt Vook  
Faith Cox  
Jeannie Brown

**Welcome and Introductions:**

Scott McDougall, IIC Benefits Administration Manager, called the meeting to order at 1:30 pm and led with introductions.

Mr. McDougall summarized the purpose of today’s meeting; and further summarized the role of the International Association of Industrial Accidents, Boards and Commission (“IAIABC”). IAIABC creates the standards and the implementation guide for using EDI.

**The following handouts were provided to the group:**

(1) Agenda; (2) *Unofficial Copy* of IDAPA Rule 17.02.06; (3) *Unofficial Copy* of IDAPA Rule 17.0207; (4) *Unofficial Copy* of IDAPA Rule 17.0208; (5) *Unofficial Copy* of IDAPA Rule 17.0210; and (6) *Unofficial Copy* of IDAPA Rule 17.0211.

Mr. McDougall summarized the proposed 4 Jun 2015 Draft Benefits & EDI IDAPA rules changes as follows:

**Proposed Change to IDAPA 17.02.06 @ Page 2 - 02. Summaries Requirement.**

Makes the distinction that no hard copy summary of payment would be required to be filed with the Commission, so long as all claims information is submitted via EDI.

**Proposed Change to IDAPA 17.02.06 @ Page 2 - 03. Form.**

Removes the SOP form from rule; and redirects the customer to the form located on the Commission's website - www.iic.idaho.gov.

**Proposed Change to IDAPA 17.02.07 @ Page 1 – 004. INCORPORATION BY REFERENCE.**

New section incorporates by reference the IAIABC EDI Claims Release 3.0 Implementation Guide, as well as the Industrial Commission's Guide and Tables. It directs the customer to the Implementation Guide located on the Commission's website; and to the IAIABC website for additional information and other publications for implementing EDI.

**Proposed Change to IDAPA 17.02.07 @ Page 1 – 05. OFFICE - OFFICE HOURS – MAILING ADDRESS AND STREET ADDRESS.**

The language identifies the mailing address of the Idaho Industrial Commission.

**Proposed Change to IDAPA 17.02.07 @ Page 1 -006. PUBLIC RECORDS ACT COMPLIANCE.**

New section is housekeeping and provides for notice in keeping with the Public Records Act.

**Proposed Change to IDAPA 17.02.07 @ Page 1 - 02. Claim.**

Allows the application for hearing to serve as a First Report of Injury.

**Proposed Changed to IDAPA 17.02.07 @ Page 2 – 06. Adjuster.**

Provides the definition of an individual who adjusts claims to comport with EDI standards.

**Proposed Change to IDAPA 17.02.07 @ Page 2 – 07. Claims Administrator.**

Provides the definition for a claims administrator to match EDI standards.

**Proposed Change to IDAPA 17.02.07 @ Page 2 – 08. Trading Partner.**

Provides the definition for "trading partner" to comport with EDI standards.

**Proposed Change to IDAPA 17.02.07 @ Page 2 - 09. Trading Partner Agreement.**

Provides the definition for trading partner agreement" to comport with EDI standards.

COMMENTS: There is a number of existing trading partner agreements currently in force that will be superseded by EDI Release 3.0.

**Proposed Change to IDAPA 17.02.07 @ Page 2 – 10. IAIABC EDI Release 3.0.**

Identifies IAIABC as the author of EDI Release 3.0 submissions of First Reports of Injury “FROIs” and Supplemental Reports of Injury “SROIs”.

COMMENTS: Correct “3,” to read as, “3.03.0.”

**Proposed Change to IDAPA 17.02.07 @ Page 2 - 11. Legacy Claims.**

Identifies that all documents associated with claims filed before the mandate date remain in paper form (legacy claims).

**Proposed Change to IDAPA 17.02.07 @ Page 2 - 011. ABBREVIATIONS. -01. EDI. -2. IAIABC. -03. FROI. and -04. SROI.**

New sections identify industry terms to comport with EDI formatting tables and guides.

**Proposed Change to IDAPA 17.02.07 @ Page 2 - 011012012. Submission Of First Reports Of Injury And Claims For Compensation To The Industrial Commission.**

Retains sequence of section numbers in rule.

**Proposed Change to IDAPA 17.02.07 @ Page 2 - 01. - Purpose.**

Housekeeping clean up to identify that statistical reports are generated by the Commission; and inserts “insurance carriers.”

**Proposed Change to IDAPA 17.02.07 @ Pages 2, 3 and 4.**

Strikes the old subsections and inserts new subsections to coincide with EDI Claims 3.0 reporting requirements for submissions of First Reports of Injury and other claims reporting requirements.

**02. Procedure for Submitting Claims.**

**a. FROI & SROI EDI Reporting.** Mandatory reporting of FROIs and SROIs would be effective July 1, 2017. “Date of Death” was provided as an example of a “mandatory conditional” data requirement on a “fatal” claim.

**b. Trading Partner Agreements.** It provides the terms of agreement of Self-Insured Employers, Insurance Carriers, or their Assigned Agents with the Commission prior to commencing electronic reporting..

**c. FROI.** Establishes the formatting requirements to coincide with IAIABC Release 3.0 Implementation Guide and the IIC’s Claims Implementation Guide and Tables.

**d. SROI.** Establishes the formatting requirements to coincide with IAIABC Release 3.0 Implementation Guide and the IIC’s Claims Implementation Guide and Tables.

**e. Report Form and Content for Parties Exempt from EDI Requirements:** Identifies the parties exempt under EDI requirements. There is an allowance for claimants and claimant's counsel under subsection e.

COMMENTS:

Mr. Eidam inquired whether claimants and/or claimant's counsel would be required to submit reports under EDI 3.0.

Mr. McDougall confirmed that subsection e provides an exemption for claimants and/or their counsel for submitting FROIs and SROISs using EDI 3.0.

Mr. Haxby posed the question whether any changes have been made since the last Subcommittee meeting. Mr. Vook reported that the current draft includes definitions for "adjuster" and "claims administrator" to match EDI formatting; and also removes the summary of payment form in rule and redirects the customer to the Commission's website.

**Correction: At page 4, subsection e.i, last line to read as IAIABC EDI Release "3.0."**

**IDAPA 17.02.07 @ Page 4 – 03. Retaining Claims Files.**

Strikes "employers," and inserts "insurance carriers" and their "claims administrators" be required to maintain claim files pursuant to IDAPA 17.02.10.051; and requires self-insured employers and their claims administrators to maintain claims files pursuant to IDAPA 17.02.11.051.

Requires "insurance carriers" and "claims administrators" under subsection **03.a** to maintain copies of claims files for the life of the claim or five years from date of closure for the claim; and under **03.b** the retention period for time-loss claims would be five years from the date the claim file is closed as a "FN" EDI transaction or hardcopy document for legacy claims.

COMMENTS:

Question posed what does the abbreviation "FN" mean. Mr. McDougall explained that it references the "final" or "closing" transaction. Mr. Vook will define "FN" in rule.

The question posed why employers would also need to retain claims files, since the claims files are maintained already by the claims administrators.

The Commission opined that it's a matter of law. Mr. McDougall, however, will research further the retention of claims files by employers.

**IDAPA 17.02.07 @ Page 4 – STRIKE OUT – 06. Report Form and Content.**

Removes the form from rule and redirects the customer to the Commission's website to obtain the form.

**IDAPA 17.02.08 @ Page 4 – Miscellaneous Provisions - 05. Copies of Notice.**

The proposed language provides for the submission of notice copies to the Commission in the form of electronic submission of documents.

**IDAPA 17.02.10 @ Page 1 – SEC – Insurance Carriers - 010. Definitions. - .03. Claims Administrator. -04. Adjuster.**

The proposed change adds the definitions for “claims administrator” and “adjuster” in rule.

COMMENTS:

Participants concurred with the Commission’s following proposed change:

**03. Claims Administrator.** An organization, that services workers’ compensation claims including insurers, third party administrators, independent adjusters, or self-insured employers, that services workers’ compensation claims. ( )

Mr. McDougall will coordinate matching up the definition to mirror in Chapter 11 and in Chapter 7, at page 2 of the draft.

**IDAPA 17.02.10 @ Page 2 - 012. Rules Governing Qualification Of Insurance Carrier To Underwrite Workers’ Compensation Liability. - 02. Application. - d.**

The proposed rule change provides that one mailing address of each claims administrator be on record at the Commission. If more than one claims administrator is used in Idaho, a list of each claims administrator shall be on record with the Commission.

**IDAPA 17.02.10 @ Pages 3 and 4 - 013. Rules Governing Insurance Carriers. - 03. Maintain Resident Idaho Office.**

Housekeeping change.

COMMENTS:

Mr. Vook proposed, and participants concurred with, striking the word “*its*” and inserting “*the carriers*” at page 4, line 1 to read as follows:

**03. Maintain Resident Idaho Office.** “.... or its the carrier’s own adjusting offices or officers resident in Idaho\_ ...”

**IDAPA 17.02.10 @ Page 4 - 05. Comply with Industrial Commission Reporting Requirements.**

The proposed rule change expands the compliance for filing reports with the Commission to include information requests from the Commission.

**IDAPA 17.02.10 @ Page 5 - 051. Requirements For Maintaining Idaho Workers' Compensation Claims Files. - 01. Idaho Office. b.**

The changes mirror language in statute and provide the authority and requirement for the service and decision-making of claims by resident claims adjusters.

**IDAPA 17.02.10 @ Page 6 - c.**

**Insert:** Each authorized insurance carrier shall designate only one claims administrator for each policy of workers' compensation insurance.

Designates only one claims administrator for each policy of WC insurance written.

**IDAPA 17.02.10 @ Page 6 - 03. Correspondence.**

Strikes the word "*mailed*" and inserts "*authorized*" to allow more efficient claims adjusting operations and comports with EDI standards.

**IDAPA 17.02.10 @ Page 7 - 08. Copies of Checks.**

Clarifies that the income benefit check is being requested and not the first medical check.

**Insert:** A copy of the first "**income benefit**" check, showing signature and date, shall be sent to the Industrial Commission the same day of issuance.

**IDAPA 17.02.11 @ Page 2 - 010. Definitions. - 05. Claims Administrator. - 06. Adjuster.**

Provides for the definitions of "claims administrator" and "adjuster" to mirror IDAPA 17.02.10.

**IDAPA 17.02.11 @ Page 2 - 013. Rules Governing Qualifications Of Self-Insured Employers. - 04. Claims Adjusting.**

Strikes "Adjuster" and inserts "Claims Adjusting" to identify the distinction between the individual and the company who may employ individual adjusters.

**IDAPA 17.02.11 @ Page 5 - 014. Continuing Requirements For Self-Insured Employers. - 04. Maintain a Licensed Resident Adjuster.**

Identifies the resident location of the licensed adjuster be within the state of Idaho.

COMMENTS:

The question was posed whether the licensed adjuster must be a resident of the state of Idaho. The change is a clarification of the term “resident” to match the order of the terms in statute. Mr. McDougall understands “resident” is a term of art used by the Department of Insurance to describe a type of licensure; the adjuster may live outside the state of Idaho but maintenance of the license resides in Idaho.

**IDAPA 17.02.11 @ Page 6 - 05. File Reports. -f.** The change mirrors Chapter 10.

**IDAPA 17.02.11 @ Page 7 - 051. Requirements For Maintaining Idaho Workers' Compensation Claims Files. -01. Idaho Office.**

Identifies the office location be in Idaho; and requires an Idaho licensed, resident adjuster.

**IDAPA 17.02.11 @ Page 8 - 051. Requirements For Maintaining Idaho Workers' Compensation Claims Files. -03. Correspondence.**

Strikes the word “mailed” and inserts the word “authorized” to allow for amore efficient claims adjusting operations.

**08. Copies of Checks.**

Inserts “*income benefit*,” to clarify that no medical check is being required.

**OTHER COMMENTS:**

Deputy Attorney General Jaynes confirmed that the Idaho Implementation Guide when incorporated by reference is not more restrictive than rule; it is a technical document that provides formatting instructions for electronic transmission and data elements. That Guide is located on the Commission’s website.

Mr. McDougall provided the following additional information:

- The Commission will be meeting with the Administrative Rules Coordinator Dennis Stevenson to review the use of the terms “current” and “version” for incorporation of the Implementation Guides. There is concern that folks know which date the version refers.
- Specifying an Implementation Guide version by date would require a change in rule.
- There is no fee to obtain a copy of the Idaho Implementation Guide. The IAIABC Gide currently costs \$199
- There IIC Advisory Committee’s Benefits & EDI Subcommittee previously reached consensus to change the implementation date from January 1, 2017 to July 1, 2017.

The question was posed what benefits do sureties and TPAs gain from EDI 3.0. Mr. McDougall reported there will be less paper generated by sureties and TPAs to and from the Commission; and reporting will be more efficient and accurate.

Mr. Haxby inquired whether the State Insurance Fund is moving to Release 3.0.

The State Fund is satisfied with the concept of EDI Release 3.0 and will make every effort to make it work.

Mr. McDougall assured participants that allowances will be made for any hiccups in the process at the initial launch of EDI 3.0.

Mr. Haxby thanked the Commission for their work of the MTC subject codes to match with the current standards. He acknowledged that there will be additional costs for service. He confirmed the Subcommittee consensus that the paperwork will be lessened. He has vetted the tables. He opined that insurers without the capabilities to move to EDI 3.0 would have been at today's meeting to voice concerns.

**Schedule future meetings as necessary:**

Mr. McDougall called for consensus to meet again; however, no additional meetings for negotiated rulemaking were requested to be scheduled.

There being no further discussion, Mr. McDougall thanked attendees for their participation at today's meeting.

There being no further business, the meeting adjourned at 2:21 pm.