



Oregon

Kate Brown, Governor

Department of Consumer and Business Services

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House Business and Labor Committee

House Bill 2040-A

Sally Coen, Administrator, Workers' Compensation Division

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Chair Riley, members of the committee, I am Sally Coen, Administrator of the Workers' Compensation Division which is part of the Department of Consumer and Business Services.

Workers' compensation insurers and self-insured employers are required by Oregon law to report specific types of claims to the department. These include accepted and denied disabling claims (worker loses time from work) and denied nondisabling claims (only medical services provided). The department uses the claim information in a variety of ways, including monitoring employer and insurer compliance, assisting injured workers, scheduling workplace safety inspections, and tracking workers' compensation system performance and trends.

Currently, reported claim documents come to us on paper forms or as document images. The division manually enters data from these documents into an extremely old database. In 2019, the legislature authorized the division to begin a Modernization Program for our business processes and supporting computer systems. One goal of the Modernization Program is to implement Electronic Data Interchange (or EDI) for claim information. This is computer-to-computer communication, without human entry of data, so that data can be processed quickly, accurately, and cost-effectively. We have used EDI for proof of coverage reporting since 2003 and for medical bill data reporting since 2008.

The law currently allows the director to require electronic submission of claim documents; however, there are limits on what claim types are reported. Most notably insurers are not required to report accepted nondisabling claims, which make up a significant portion of workers' compensation claims.

This bill will allow the division to specify by rule what type of claim information must be reported to the division electronically. This could include all nondisabling claims and other claim-related information currently required by paper. Having all types of claims reported will provide a more comprehensive picture of the workers' compensation system and its trends. Using electronic claim reporting will also provide cost savings for insurers and self-insured employers, making it easier to do business in Oregon especially for multi-state insurers who already interact with 39 states that have electronic claim reporting.

This bill will streamline and improve how claims data is reported to the division, but it will not change requirements for insurers and self-insured employers to retain required claims records. Insurers and self-insured employers will still be required to provide notices of claim decisions and requested records to workers in useable and readable formats.

The soonest the division would adopt rules for electronic claim reporting is July 1, 2023. This date will depend on the Modernization Program planning and development process and feedback from stakeholders in the public rulemaking process. The division will not change claim reporting requirements until electronic claim reporting is in place.

We ask that you support HB 2040-A. We have presented this bill to the Management-Labor Advisory Committee and they also recommend you support it. I would be happy to answer any questions.