

CA - PMM

Project Name: Workers' Comp

OCIO Project #: _____

Department: Employment Development

Revision Date: _____

Concept Statement

Description

Brief description of the proposed project:

Improve Workers' Compensation Recovery to the DI Fund

- Prepare Disability Insurance Branch (DIB) systems to accept data from and submit data to the new Department of Industrial Relations Electronic Adjudication Management System and the Workers' Compensation Information System.
- Develop SQL database that improves on features and functionality in the DIA system to capture and store Workers' Compensation (WC) case recovery information.

Need Statement

High Level Functional Requirements:

- The ability to automatically file liens into the Department of Industrial Relations Electronic Adjudication Management System on Workers' Compensation Appeals Board case files.
- '- The ability to capture and store Workers' Comp case recovery information.
- '- Develop high-level reporting capability and functionality on Workers' Comp recovery activities and results.

What is Driving This Need?

The goal of the project is to increase the recovery of SDI benefits paid in lieu of conflicting worker's compensation liability for the same illness/injury. DIB expects to improve the recovery of SDI benefits paid while WC cases are pending eligibility determination or appeal processing. The SDI seeks reimbursement by filing a lien against any future award or settlement approved by the WCAB. Improving the reporting process by development of this system will improve our ability to track WC payments and submit accurate and timely requests for reimbursement of SDI funds. DIB recovers approximately \$121 million annually.

Risk to the Organization if This Work is Not Done:

Not completing this project will reduce the amount of money DIB can recover from WC insurers due to delays and inaccurate data created by the current manual key data entry process. The inability to efficiently recover WC related benefits paid will continue to be an increased burden to the DI Fund and will reduce the amount of monies recovered.

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Benefit Statement

Intangible Benefits

Process Improvements (describe the nature of the process improvement):

Data interface will automatically transfer information between EDD and DIR to eliminate manual key data entry. The quality of the data will improve and will be submitted in a timely manner to help increase EDD's ability to recover WC funds.

Other Intangible Benefits:

Improved relationship with DIR by reducing or eliminating current system problems created by the manual keying of data into EAMS, and streamlined, more efficient communication and processes for DIB and DIR staff.

Tangible Benefits

Revenue Generation (describe how revenue will be generated):

The goal of the project is to increase the recovery of SDI benefits paid in lieu of conflicting worker's compensation liability for the same illness/injury. EDD expects to improve the recovery of SDI benefits paid while WC cases are pending eligibility determination or appeal processing. DIB recovers approximately \$121 million annually. This figure is expected to increase substantially through the implementation of this project.

Cost Savings (describe how cost will be reduced):

The reduction or elimination of manual processes involved in the recovery of WC will allow staff to focus on other areas of the process to improve recovery.

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Cost Avoidance (describe the cost and how avoided):
 The reduction or elimination of manual processes involved in the recovery of WC will allow staff to focus on other areas of the process to improve recovery.

Risk Avoidance (describe the risk and how avoided):
 Due to manual processing, SDI risks failure of recovery of funds when liens are not filed prior to case closure.

Improved Services:
 Services to DIR and the WC community will improve with accurate and timely information from SDI on cases on file at the WC Appeals Board from SDI.

Consistency

"No" Responses 		Rationale	Action Required
Enterprise Architecture			
Business Plan	Yes	The EDD Strategic Business Plan Goals 1 and 2 are met.	
Strategic Plan	Yes	The EDD Strategic Business Plan Goals 1 and 2 are met.	

Impact to Other Agencies

Nature of Impact to Other Agencies

Agency:
Describe the nature of the impact:
 All impacted entities are within the Labor and Workforce Development Agency. Department of Industrial Relations will need to partner with EDD during this project.

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Agency: _____

Describe the nature of the impact:

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Solution Alternatives

Alternative 1:

Maintain the manual process involved with the filing of liens and accounting for WC recovery to the SDI fund.

Technical Considerations for Alternative 1:

None.

ROM Cost:

to

Note: high end of range must not exceed 200% of low end of range

Alternative 2:

- Prepare Disability Insurance Branch (DIB) systems to accept data from and submit data to the new Department of Industrial Relations Electronic Adjudication Management System and the Workers' Compensation Information System.
- Develop SQL database that improves on features and functionality in the DIA system to capture and store Workers' Compensation (WC) case recovery information .

Technical Considerations for Alternative 2:

ROM Cost:

to

Note: high end of range must not exceed 200% of low end of range

Alternative 3:

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None

Technical Considerations for Alternative 3:	
ROM Cost: _____ to _____	Note: high end of range must not exceed 200% of low end of range

Recommendation

Comparison:

Alternative 1	ROM Cost	Risk
	\$0 - \$0	
Alternative 2	ROM Cost	Risk
	\$0 - \$0	
Alternative 3	ROM Cost	Risk
	\$0 - \$0	

Conclusions:

1	This project is necessary to increase data reliability between DIR and EDD.
2	This project will increase recovery to the SDI fund.
3	This project will reduce manual key data entry in the SDI field offices.
4	

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Recommendation:

EDD recommends moving forward with Alternative 2.

Project Approach *(if known)*

System Complexity:		System Business Hours: <i>(e.g., 24x7, 9am-5pm)</i> :		
Architecture	<input type="checkbox"/> Mainframe <input type="checkbox"/> Client Server <input type="checkbox"/> Web Based			Num. of New Databases: _____
Technology	<input type="checkbox"/> New <input type="checkbox"/> New to Staff <input type="checkbox"/> In-House Experience			Interfaces: _____
Implementation	<input type="checkbox"/> Central Site <input type="checkbox"/> Phased Roll-out _____			Num. of Sites: _____
M & O Support	<input type="checkbox"/> Contractor <input type="checkbox"/> Data Center <input type="checkbox"/> Project <input type="checkbox"/> In House			
Procurement Approach:				Number of Procurements: _____
Open Procurement?		Delegated Procurement?		
Scope of Contract	<input type="checkbox"/> Development <input type="checkbox"/> Implementation <input type="checkbox"/> M & O <input type="checkbox"/> Other: _____			
Anticipated Length of Contract:		_____ Years /	_____ extensions for	_____ years