

CA - PMM

Project Name: CA Workers' Compensation Electronic Access

OCIO Project #: 7350-068

Department: Industrial Relations

Revision Date: 10/11/10

Concept Statement

Description

Brief description of the proposed project:

The Department of Industrial Relations (DIR), Division of Workers' Compensation (DWC) proposes to improve the workers' compensation court system by providing litigants with efficient ways to file workers' compensation court forms and documents and view documents and information in the case file electronically.

Need Statement

High Level Capabilities Needed:

The filing and viewing system must provide the level of service mandated by the Labor Code.

The system must be sustainable over time and external users must have a method of filing and viewing documents that meets their needs.

The state must ensure the greatest number of external users have access to file documents electronically and have a reliable method of reviewing case file information within DIR's financial limitations.

The system must be capable of supporting DWC and WCAB (Workers' Compensation Appeals Board) staff to efficiently process external user filings and documents in the Electronic Adjudication Management System (EAMS).

What is Driving This Need?

Litigants in the workers' compensation court system—injured workers, attorneys, claims administrators, lien claimants and others—need efficient ways to file forms and documents and view information in the case file. Over the past several years these groups have demanded improved and increased access to the existing system. The Office of the Chief Information Officer (OCIO), in 2008, required DWC to meet six criteria before funding this increased access. The proposed plan meets those six criteria and includes extensive involvement by external users.

Risk to the Organization if This Work is Not Done:

Backlog of paper will continue to rise and injured workers will not receive timely responses on their cases. The state may be subject to lawsuits from insurance companies and fines/penalties may be levied on DIR. Ultimately, workers may experience significant delays to financial compensation due them.

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Benefit Statement

Intangible Benefits

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

The system will allow filers to process documents electronically, thereby vastly reducing the amount of paper that needs to be manually processed by both litigants filing documents and DWC staff entering them into EAMS. As a result, it will reduce manual data entry and case submission backlog. Volume case files submitted electronically will not require manual screening, correcting, scanning and completing to get them into EAMS. Injured workers and employers will get timelier hearings, resulting in efficient delivery of services. Additionally, since case file information will be available electronically, DWC staff will not have to print and provide copies of information in the case file.

Other Intangible Benefits:

Electronic submission of claims will reduce paper consumption and aligns with the statewide "green" initiative. This project will also further DIR's efforts to be an easily accessible, user friendly partner with all employers and workers in contributing to the success of California's economy. Replacing paper with electronic processing will expedite services so that litigants receive faster responses, decisions and remedies.

Tangible Benefits

Revenue Generation (describe how revenue will be generated):

This project proposal will not increase revenue.

Cost Savings (describe how cost will be reduced):

Volume filers will be able to submit forms and documents directly into the system using an online filing feature, reducing the need for manual screening, scanning and correction of documents. Resources now tied up processing paper will be free to help injured workers and employers resolve disputes and perform other functions currently on hold while staff process paper. Postage will also be reduced because filings with errors will not have to be physically sent back to the filers.

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Cost Avoidance (describe the cost and how avoided):
 Minimize the need for additional staff or overtime hours required to process the current huge paper flow. DWC will realize cost avoidance from more a more frequent need to replace scanners and PCs in district offices as well as the service contracts that support this equipment.

Risk Avoidance (describe the risk and how avoided):
 DIR is at risk for lawsuits and other adverse actions by litigants who are not receiving timely services from the courts. By enabling external users to file electronically DWC will reduce the growing backlog of paper documents, resulting in faster responses and decisions.

Improved Services:
 See above as well as rapid processing and retrieval of documents in electronic format resulting in more timely responses to claimants.

Consistency

"No" Responses 		Rationale	Action Required
Enterprise Architecture	Yes		
Business Plan	Yes		
Strategic Plan	Yes		

Impact to Other Agencies

Nature of Impact to Other Agencies

Agency: Office of Technology Services
Describe the nature of the impact:
 More traffic to EAMS based on verifying, viewing cases and submitting cases electronically.

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Agency: Labor and Workforce Development Agency
<i>Describe the nature of the impact:</i>
Enhance services in the protection of injured workers and California workforce.

Agency: Employment Development Department
<i>Describe the nature of the impact:</i>
Faster and more efficient resolution of liens filed when workers are receiving benefits from the state disability insurance program that should be paid by the workers' compensation insurer. The result is improved repayment of funds to the state disability insurance program.

Agency: State Compensation Insurance Fund
<i>Describe the nature of the impact:</i>
Save on paper printing, processing and mailing costs. Faster resolution of workers' compensation disputes, which leads to overall system savings.

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Solution Alternatives

Alternative 1:

Implement a gateway to accept large volume electronic filings from external users. Provide a method to allow external users to access the modules of EAMS they need to file at low volume or view documents and information in the case file without having to access the entire system. This will be accomplished through a Web-based portal outside EAMS, which provides the user with a choice of three modules inside EAMS, depending on user needs and level of permission. The portal provides an easy to use interface for external parties.

Technical Considerations for Alternative 1:

Need Integration Layer.

ROM Cost: \$7,345,000 to \$9,916,000

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

Alternative 2:

Upgrade EAMS with an entirely revised version of the system including revised requirements, user interfaces, data structures and databases. This solution will take three years to implement.

Technical Considerations for Alternative 2:

Need Infrastructure and PY's to support it.

ROM Cost: \$27,500,000 to \$33,700,000

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

Alternative 3:

Provide access through the gateway and single sign-on portal without maintenance and support or project management support.

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Technical Considerations for Alternative 3:	
Without maintenance support the risk of catastrophic failure is introduced.	
ROM Cost: \$5,500,000 to \$5,500,000	Note: high end of range must not exceed 200% of low end of range

Recommendation

Comparison:

Alternative 1	ROM Cost		Risk
	\$7,345,000	-	\$9,916,000
	<i>Licensing agreements with Curam can become expensive.</i>		
Alternative 2	ROM Cost		Risk
	\$27,500,000	-	\$33,700,000
	<i>Funding will not be available to complete project.</i>		
Alternative 3	ROM Cost		Risk
	\$5,500,000	-	\$5,500,000
	<i>All the above & system performance will degrade without maintenance and support.</i>		

Conclusions:

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Recommendation:

Alternative 1.

Project Approach (if known)

System Complexity:			System Business Hours: (e.g., 24x7, 9am-5pm) :		
Architecture	<input type="checkbox"/> Mainframe	<input type="checkbox"/> Client Server	<input checked="" type="checkbox"/> Web Based	Num. of New Databases:	
Technology	<input type="checkbox"/> New	<input type="checkbox"/> New to Staff	<input checked="" type="checkbox"/> In-House Experience	Interfaces:	
Implementation	<input type="checkbox"/> Central Site	<input checked="" 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 checked="" type="checkbox"/> In House	
Procurement Approach: (consult with OSI Procurement Center)				Number of Procurements:	
Open Procurement?		Delegated Procurement?			
Scope of Contract	<input type="checkbox"/> Development	<input checked="" type="checkbox"/> Implementation	<input type="checkbox"/> M & O	<input type="checkbox"/> Other:	
Anticipated Length of Contract:		1	Years /	extensions for	years