

Appendix B - EDI Testing Criteria

Who must perform testing?

NCCI and ISO are the only two vendors currently approved to send electronic data to the department. This testing process applies to any other third-party vendor or direct-reporting insurer. Testing and department approval must be obtained before July 1, 2009, to submit EDI transactions starting July 1, 2009.

When will testing occur?

Testing starts in March 2009. Reporters must follow all testing procedures and obtain department authorization *before* July 1, 2009, to start sending proof of coverage through EDI starting July 1, 2009.

Whom do I contact to conduct testing?

Contact the Workers' Compensation Division's EDI coordinator at 503-947-7626 or visit the division's Web site at <http://www.cbs.state.or.us/wcd/communications/sb559.html>.

Detailed testing procedures

These testing steps apply to all new vendors and direct-reporting insurers. Additional technical information is available in the Oregon EDI Implementation Guide for Proof of Coverage, available on the department Web site listed above.

Stage 1: File Transfer Protocol Communication Testing

The first stage is to establish an EDI reporting relationship and make sure that vendors and direct-report insurers can successfully send and get data from the department.

1. Vendors and direct-report insurers must first provide the department the document "EDI Insurer Profile" indicating their key contact information. This document is required before the department will start the next testing steps. To get the form, visit the Workers' Compensation Division at <http://wcd.oregon.gov/>, and click on "Electronic Data – EDI" link on the lower left-hand side of the page.
2. The vendor and direct-report insurers must arrange to submit a test file via Secure File Transfer Protocol (SFTP) to the department to assess the functionality of the transmission. Contact the EDI coordinator to schedule a test file submission date and to get server, upload, and download directory information. The steps for this test are:
 - A. The vendor and direct-report insurer must send a sample test file using the correct IAIABC formats that the department's proof-of-coverage EDI program can process. The test file must contain at least 10 proof-of-coverage transactions. The test may be "mock data" or actual proof-of-coverage data from current or past transmission periods. The department will discard all data submitted as part of the FTP test after the test phase is complete.
 - B. The department will send a "mock" IAIABC proof-of-coverage EDI acknowledgement transaction (AKP) to indicate the successful delivery of the FTP test transaction.
 - C. The test file must pass technical validation edits. The department may request subsequent test transmissions in order to resolve any errors. This test will be determined successful when:

- Transmissions are sent without errors in the header or trailer records,
- Transmissions are sent without transaction-level technical errors, and
- Vendors and direct-report insurers can receive and process automated IAIABC proof-of-coverage EDI acknowledgement transactions.

3. The department will notify vendors and direct-report insurers in writing when they are approved to start the next stage of testing.

Stage Two: Proof-of-Coverage EDI File Content Test

The second stage of testing determines whether vendors and direct-report insurers can send correctly formatted and structured EDI files. This stage includes submission of the required two-year historical policy information file. Vendors not approved by July 1, 2009, may not submit data for any Oregon insurer until the testing process is completed. Direct-report insurers that do not have department authorization must use an approved vendor until the department approves them to submit EDI transactions.

1. Vendors and direct-report insurers must send a proof-of-coverage EDI test transmission to demonstrate that each required triplicate code can be sent in the correct format and the department's proof-of-coverage program can process the transactions. The steps for this test are:

- A. Vendors and direct-report insurers should send at least three separate transmissions containing a minimum of three records for each Oregon-valid triplicate code included in the IAIABC EDI Implementation Guide. Only one test file should be sent per day.
- B. Data transmitted during this test must be actual proof-of-coverage data from current or past transmission periods. The department will discard all data submitted as part of the FTP file content test after the test phase is complete.
- C. The department will send an IAIABC proof-of-coverage EDI acknowledgement transaction to account for the processing outcome of each transaction contained on the transmission (e.g., accepted or rejected). If there are rejected transactions, vendors and direct-report insurers should reconcile and correct errors in their source data system to avoid repeating the same filing errors once approved for EDI production (that is, full EDI transmission).
- D. The department may request additional proof-of-coverage EDI test transmissions to confirm that vendors and direct-report insurers can send each triplicate code in the correct format.

2. To obtain approval for this test phase, vendors and direct-report insurers must achieve 90 percent accuracy for proof-of-coverage transactions sent for at least three transmissions during the test. This means 90 percent of the required triplicate codes must have been accepted or acknowledged (or less than 10 percent of filings rejected).

3. Vendors and direct-report insurers must submit the required two-year historical policy information file for all existing policies before the department will approve them for EDI production. For more details about the historic file, please see Appendix A.

4. The department will notify the vendor and direct-report insurer in writing when they are approved to move into “production” – that is, to start sending all transactions electronically. The notification will include an effective date (no earlier than July 1, 2009).

Stage Three: EDI Proof-of-coverage Production

During this stage, vendors and direct-report insurers send proof-of-coverage information via EDI.

1. Once a vendor or direct-report insurer starts sending information via EDI, it must stop sending the equivalent paper forms to the department. The only exception is for insurers that do not have a trading partner agreement for guaranty contracts on file as of Dec. 31, 2008. These insurers must send guaranty contracts and related endorsements on paper.

2. The department will send an EDI acknowledgement transaction in response to each transmission. The acknowledgement will state whether a record is accepted without errors (transaction accepted or TA) or rejected (transaction rejected or TR).

3. A vendor or direct-report insurer must immediately fix and re-send any records rejected by the department for all filings that are required under Oregon law and administrative rule. The vendor or direct-report insurer must also fix all verified data errors for each rejected EDI acknowledgement transaction.

4. Accounts acquired after the vendor or direct-report insurer has been approved for production are not subject to the testing requirements, but must be included in production filings at the time of acquisition. The department may require a new historical file for the acquired accounts to ensure that federal employer identification numbers (FEINs) and policy numbers match the department’s records.

5. Vendors or direct-report insurers may not submit more than one transmission per day to the department, unless the parties agree to a different schedule. The department will send no more than one acknowledgement file per day unless agreed to by both parties.