

OFFICE OF THE GOVERNOR
Department of Workers' Claims
(Amendment)

120 KAR 1:165. Electronic Data Interchange vendor approval.

RELATES TO: KRS 342.0011(1), (6), (7), (22), (26), 342.038, 342.039, 342.260, 342.340

STATUTORY AUTHORITY: KRS 342.038, 342.039, 342.260, 342.340

CERTIFICATION STATEMENT:

NECESSITY, FUNCTION, AND CONFORMITY: KRS 342.260 requires the commissioner to promulgate administrative regulations necessary to carry on the work of the department. KRS 342.038 requires an employer to keep a record of all injuries received by the employer's employees and to report to the department any injury causing the employee's absence from more than one day of work. KRS 342.039 requires insurance carriers, each self-insured group, and each employer authorized to carry its own risk to file detailed claim information with the department. KRS 342.340 requires information to be filed when a workers' compensation policy is issued, modified, cancelled, lapsed, or terminated. This administrative regulation establishes the procedure to become an approved Electronic Data Interchange vendor.

Section 1. Definitions.

- (1) "Applicant" means a vendor seeking to become an approved vendor.
- (2) "Approved vendor" means a vendor approved and certified by the commissioner of the Department of Workers' Claims in accordance with this administrative regulation.
- (3) "Electronic Data Interchange" or "EDI" means the electronic transmission of data to and from the Department of Workers' Claims by use of EDI Claims Release, 3.0 version, and Proof of Coverage Release, 2.1 version, of the International Association of Industrial Accident Boards and Commissions.
- (4) "Vendor" means an entity that formats electronic data for transmission to the Department of Workers' Claims, transmits electronic data to the Department of Workers' Claims, and responds to any technical issues related to the content or structure of an electronic data interchange file.

Section 2. Application and Qualifications.

- (1) An application for approval as an EDI vendor shall be submitted to the commissioner on Form EDIVEN-01, EDI Vendor Application.
- (2) An applicant shall:
 - (a) Submit EDI transactions from trading partners and claim administrators to the Department of Workers' Claims using only EDI Claims Release, 3.0 version, and Proof of Coverage Release, 2.1 version, of the International Association of Industrial Accident Boards and Commissions (IAIABC). Kentucky-specific edits for EDI may be found at <http://www.labor.ky.gov/workersclaims/Pages/EDI.aspx>;
 - (b) Be capable of transmitting and receiving data through secure file transfer protocol (SFTP);
 - (c) Be able to send and receive data on a daily basis;
 - (d) Provide and identify a contact person capable of providing quick resolution of issues that arise during attempted data delivery.
 - (e) The contact information shall include the contact's name, phone number, email address, and physical address;
 - (f) Submit a list of all insurance carriers for which it will be delivering and receiving data. The list shall include the name of the insurance carrier, the insurance carrier's

federal employer identification number, the name of a contact person for the insurance carrier, and that person's email, phone number, and mailing address;

(g) Submit data for no less than eight (8) insurance carriers;

(h) Be and remain a member of the IAIABC; and

(i) Comply with the provisions of KRS Chapter 342 and 803 KAR Chapter 25.

Section 3. Application Process.

(1) Upon notification that the application has been accepted, the applicant shall contact the Data Management Branch of the Division of Information Technology and Support Services of the Kentucky Education and Labor Cabinet to schedule two (2) test data transmissions.

(2) If both transmissions are successfully completed, trading partner information from the vendor shall be added to the database of the Department of Workers' Claims. The vendor may begin submission of data once notified that it has been certified as an approved EDI vendor by the Department of Workers' Claims.

Section 4. Certification.

(1) A person or entity shall not act as or hold itself out as an approved EDI vendor unless that person or entity has been approved by the commissioner of the Department of Workers' Claims in accordance with this administrative regulation.

(2) Certification that a vendor has been approved by the commissioner shall remain in effect until revoked by the commissioner pursuant to Section 5 of this administrative regulation or voluntarily surrendered. A vendor that voluntarily surrenders its certificate shall notify the commissioner in writing.

(3) If a vendor desires to deliver and receive data for an insurance carrier not previously reported to the department, an email shall be sent to the department seeking approval to deliver and send data for the new insurance carrier.

(a) The email shall contain the name and FEIN of the new insurance carrier.

(b) Attached to the email shall be an updated carrier list that includes that new insurance carrier.

(c) Upon confirming with the Department of Insurance that the new insurance carrier is authorized to transact the business of workers' compensation in Kentucky, the Department of Workers' Claims shall send an email to the vendor approving the transmittal of data for the new insurance carrier, and the vendor may begin transmitting data for the new carrier.

Section 5. Revocation of Certification. The commissioner may revoke a vendor's certification as an approved EDI vendor if the vendor:

(1) Resigns or is removed from membership in the IAIABC;

(2) Is unable to be contacted for resolution of transmission issues;

(3) Does not actively take steps to assist in the resolution of EDI related issues; or

(4) No longer meets the requirements contained in Section 2(2) of this administrative regulation.

Section 6. Incorporation by Reference.

(1) "Electronic Data Interchange Vendor Application", EDIVEN-1, August 10, 2021 edition, is incorporated by reference.

(2) This material may be inspected, copied, or obtained, subject to applicable copyright law, at the Department of Workers' Claims, Mayo-Underwood Building, 3rd Floor, 500 Mero Street, Frankfort, Kentucky 40601, Monday through Friday, 8 a.m. to 4:30 p.m. and may also be found at <https://labor.ky.gov/comp/Forms/Pages/default.aspx>.

(47 Ky.R. 2774; 48 Ky.R. 837; 1136; eff. 1-4-2022; TAm eff. 10-31-2022.)