To: Texas Workers' Compensation Insurance Carriers

From: Joe McElrath, Deputy Commissioner of Business Process

Date: July 29, 2022

RE: More Information about Billing for Claim Electronic Data Interchange (EDI) Data
        Collection Services

The Texas Department of Insurance, Division of Workers' Compensation (DWC) adopted the Texas claim EDI release 3.1.4 standard on March 9, 2022. As a result, DWC's designated data collection agent, Insurance Services Office, Inc., a wholly owned subsidiary of Verisk Analytics (Verisk), will bill insurance carriers, other than governmental entities, to recover the costs associated with collecting claim data for DWC. The costs for the first year of data collection are:

- **One-time startup costs** allocated across Texas insurance carriers and certified self-insured employers and certified self-insured employer groups total: $368,350. These costs include:
    - trading partner profile registration and certification;
    - requirements;
    - programming;
    - certification;
    - website setup; and
    - billing setup and coordination.

- **First year ongoing support costs** allocated across Texas insurance carriers and certified self-insured employers and certified self-insured employer groups total: $458,850. These costs include:
    - staffing positions;
    - infrastructure costs;
    - insurance carrier support;
    - report development; and
    - EDI intake and pre-editing.

- **Subsequent year ongoing support costs** allocated across Texas insurance carriers and certified self-insured employers and certified self-insured employer groups.

Verisk will bill each insurance carrier, including certified self-insured employers and certified self-insured employer groups, a percentage of these costs based on fiscal year 2021 accepted claim EDI transaction volume. The 2021 transaction volume is at txdwcedi.info/faq.

Verisk will bill for future ongoing support costs based on the previous year's accepted EDI transaction volume, plus an additional 3% annually. Verisk is available to discuss an individual insurance carrier's estimated amount of future year ongoing support costs.

Billing for One-Time Startup Costs and First Year Ongoing Support Costs
Verisk will bill for half of the $368,350 one-time startup costs immediately after insurance carrier registration. They will bill for the remaining half of their one-time startup costs and the cost of the first year of ongoing support costs on or after July 26, 2023, which is the Texas claim EDI release 3.1.4 implementation date. **All insurance carriers or insurance carrier groups must register their billing contact information with Verisk as soon as possible.**

For more information about the registration and billing processes, see the FAQs at txdwcedi.info/faq.

To register, go to txdwcedi.info/ and select "Billing Registration" from the menu. If you have questions, email Verisk at txdwcbillingquestions@verisk.com.