

WORKERS' COMPENSATION DIVISION[876]

Regulatory Analysis

Notice of Intended Action to be published: 876—Chapter 11
“Electronic Data Interchange (EDI)”

Iowa Code section(s) or chapter(s) authorizing rulemaking: 10A.310(1)“a,” 17A and Executive Order 10

State or federal law(s) implemented by the rulemaking: Iowa Code chapters 10A and 85

Public Hearing

A public hearing at which persons may present their views orally or in writing will be held as follows:

November 3, 2026
1 p.m.

6200 Park Avenue
Des Moines, Iowa
Via videoconference call:
[dial-iowa-gov.zoom.us/j/81654334225?](https://dial-iowa-gov.zoom.us/j/81654334225?pwd=5JUj7K10vOhVPFGUp2QWlyI2imRXx9.1)
[pwd=5JUj7K10vOhVPFGUp2QWlyI2imRXx9.1](https://dial-iowa-gov.zoom.us/j/81654334225?pwd=5JUj7K10vOhVPFGUp2QWlyI2imRXx9.1)

Public Comment

Any interested person may submit written or oral comments concerning this Regulatory Analysis, which must be received by the Workers' Compensation Division no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

William Grell
Department of Inspections, Appeals, and Licensing
6200 Park Avenue
Des Moines, Iowa 50321
Phone: 515.829.5993
Email: william.grell@dia.iowa.gov

Purpose and Summary

The purpose of proposed Chapter 11, as stated in rule 876—11.1(85,86), is “to establish the procedure for fulfilling reporting requirements of the workers' compensation division.” The rule lists the reports that are required to be filed, including a first report of injury (FROI), a subsequent report of injury (SROI), an annual report on every claim that is open on June 30 of each year that also shows all benefits paid since the initiation of the claim through June 30 of the current year, and a final report at the time the claim is closed. These reports are implemented pursuant to statute. The chapter simply clarifies how the reports should be filed, which is by using the electronic data interchange (EDI) system. The agency has a contract with Verisk for use of the EDI system.

Analysis of Impact

1. Persons affected by the proposed rulemaking:

• Classes of persons that will bear the costs of the proposed rulemaking:

Uninsured employers with no EDI access must pay \$150 per paper FROI filed; however, Iowa law requires employers to have workers' compensation insurance. This situation arises only a handful of times per year.

- **Classes of persons that will benefit from the proposed rulemaking:**

Health providers, employers, insurers, and their associated counsel all benefit from resolving health service disputes. Additionally, if these disputes are resolved, the injured worker derives a tertiary benefit.

2. Impact of the proposed rulemaking, economic or otherwise, including the nature and amount of all the different kinds of costs that would be incurred:

- **Quantitative description of impact:**

Not applicable.

- **Qualitative description of impact:**

Not applicable.

3. Costs to the State:

- **Implementation and enforcement costs borne by the agency or any other agency:**

The costs to the Division to implement or enforce this chapter involve regular employee salaries and benefits. Additionally, the Division has an ongoing contract with Verisk. The current term carries an annual cost of about \$42,000 for this contract.

- **Anticipated effect on State revenues:**

There are no proposed changes to the budget, nor is there an anticipated effect on State revenues.

4. Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:

The costs associated with this rulemaking allow for the essential functioning of the Division and of the workers' compensation system in the State of Iowa. The costs are also necessary to implement Iowa law. Inaction would allow the chapter to expire, leaving the agency lacking in obtaining compliance information.

5. Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:

There do not appear to be any less costly or intrusive methods for achieving the purpose of the proposed repromulgation of this chapter.

6. Alternative methods considered by the agency:

- **Description of any alternative methods that were seriously considered by the agency:**

The agency has not identified any viable alternatives to these rules.

- **Reasons why alternative methods were rejected in favor of the proposed rulemaking:**

The agency has not identified any viable alternatives to these rules.

Small Business Impact

If the rulemaking will have a substantial impact on small business, include a discussion of whether it would be feasible and practicable to do any of the following to reduce the impact of the rulemaking on small business:

- Establish less stringent compliance or reporting requirements in the rulemaking for small business.

- Establish less stringent schedules or deadlines in the rulemaking for compliance or reporting requirements for small business.

- Consolidate or simplify the rulemaking's compliance or reporting requirements for small business.

- Establish performance standards to replace design or operational standards in the rulemaking for small business.

- Exempt small business from any or all requirements of the rulemaking.

If legal and feasible, how does the rulemaking use a method discussed above to reduce the substantial impact on small business?

There is no substantial impact on small business caused by this rulemaking.

Text of Proposed Rulemaking

ITEM 1. Rescind 876—Chapter 11 and adopt the following **new** chapter in lieu thereof:

CHAPTER 11
ELECTRONIC DATA INTERCHANGE (EDI)

876—11.1(85,86) Purpose. The purpose of this chapter is to establish the procedure for fulfilling reporting requirements of the workers' compensation division.

876—11.2(85,86) Definitions. The following definitions apply to 876—Chapter 3 and this chapter:

"EDI" or *"electronic data interchange"* means electronic transmission or reception, or both, of data through a telecommunications process utilizing a value-added network or the internet as set forth in the EDI partnering agreement.

"EDI partnering agreement" means the written agreement between an entity and the workers' compensation division specifying the terms and manner of reporting by EDI.

"Filed" means receipt and acceptance of a report by the workers' compensation division. A report is considered to be "filed" on the date it is accepted (TA) by the workers' compensation division. A report that is submitted but rejected (TR) is not considered "filed."

"Report" means a first report of injury (FROI), a subsequent report of injury (SROI), or both.

"Reporter" means the person who is responsible for reporting to the workers' compensation division pursuant to the Iowa workers' compensation laws and includes an employer, an employer who has been relieved from insurance pursuant to Iowa Code section 87.11, and an insurance carrier that provides an employer workers' compensation insurance.

"Reporting" means submission of claims data and data fields of information of a report.

876—11.3(85,86) Form of reporting. The format of EDI reporting must be the current version of the International Association of Industrial Accident Boards and Commissions (IAIABC) Release 3.1 FROI/SROI.

876—11.4(85,86) Manner of reporting. The manner of EDI reporting is electronic.

876—11.5(85,86) Mandatory reporting. All reporters are responsible for reporting by EDI 3.1. A reporter may contract with another entity for reporting, but the reporter is ultimately responsible for reporting. Each reporter or entity reporting on behalf of a reporter must sign an EDI partnering agreement.

876—11.6(85,86) Required reports.

11.6(1) A reporter shall file reports as required by Iowa Code sections 10A.313, 10A.314, and 10A.315; 876—subrules 3.1(1) and 3.1(2); this chapter; and the partnering agreement. Reports required to be filed include but are not limited to the following:

- a. FROI. More information can be found in 876—subrule 3.1(1);
- b. SROI. More information can be found in 876—subrule 3.1(2);
- c. Annual report on every claim that is open on June 30 each year. The annual report shall show all benefits paid since the claim was initiated through June 30 of the current year. A final report shall be filed in lieu of the annual report if the claim is closed and the final report is filed before the date when the annual report is scheduled to be filed; and
- d. Final report filed at the time the claim is closed. The final report indicates that no further benefit payments are contemplated.

11.6(2) A reporter shall file a change to FROI and SROI reports whenever a reporter is made aware that information previously submitted is incorrect. The reporter shall file a change within

45 days after being made aware that previously submitted information is incorrect. Information for which a change shall be filed includes but is not limited to the injured employee's social security number, date of injury, employer's name, and injured employee's name. A reporter shall also correct information used in calculation of the compensation rate including but not limited to marital status and number of exemptions, average weekly wage, and compensation rate at the time of the employee's injury. If a final decision by the workers' compensation division or a court of law changes any of the previously submitted information, the attorney for the employer and insurance carrier shall notify the reporter. The reporter shall file a change within 45 days of the final decision.

These rules are intended to implement Iowa Code sections 10A.310, 10A.313, 10A.314, 10A.315, and 85.26.