

Business Process Improvement e-Enforcement System Project Project Vision Document – July 2005

EXECUTIVE TECHNOLOGY AND PROCESSING OVERVIEW

The current Violation Tracking system is a relatively small application with an integration point to the Accounts Receivable Billing System (ARBS) in COMPASS and the Claims and Participant systems regarding violation referrals received about workers' compensation claims or system parties. The Violation Tracking project replaces two automated systems currently used for monitoring and enforcement: the VTRA legacy mainframe system, which integrates with the Accounts Receivable Billing System (ARBS) for processing administrative penalties, and the Violation Referral Support System (VRSS) Access database system, which is used for tracking a violation's life-cycle and generates all correspondence and reports. Both systems require manual entry of paper form data, duplicated for each system, for complete monitoring and enforcement functionality. In our future business model, the Violation Tracking system must be integrated for reporting information online, using an online interface or by way of data extraction off of paper forms (OCR) utilizing our existing Tier One framework that includes workflow, document scanning and repository systems, EDI tools, correspondence and reporting engines, name and address standardization, the business rules engine, and the sending of required data back to the legacy application as needed.

Current Process and Issues

The Compliance & Practices (C&P) Division is responsible for violations monitoring and enforcement. C&P is divided into three main units, each with separate responsibilities:

- **Violation Processing Team (VPT - Intake Section)** conducts initial screening process, creates referrals to audit team and performs closure after auditor's completion of the review.
- **Audit & Enforcement Section (A&E)** conducts audits and reviews allegations of noncompliance. A&E enforces compliance by issuing penalties, warnings and educational letters to violators.
- **Office of Investigations (OI)** investigates allegations of fraud, which may involve coordination with other state and/or federal agencies, and/or insurance carriers' special investigations units. Investigations may lead to prosecution and/or the recovery of money obtained through fraudulent means.

Compliance & Practices (C&P) conducts approximately 70 audits every per year and reviews as many as 500 allegations of noncompliance per month relating to system participant compliance issues. Information gathered during audits and investigations is confidential as required by the Texas Labor Code and is highly restricted.

The functions of the Office of Investigation affect all system participants. Approximately 75% of fraud allegations are against injured workers, 15% against health care providers and the remaining 10% involves attorneys, insurance carriers and employers. When an investigation results in criminal prosecution, the division works with local authorities and remains involved in providing documentation and expertise needed for prosecution of the case.

The Compliance and Enforcement program generates appropriated receipts through the collection of administrative penalties.

Current methods for reporting alleged administrative violations and fraud include:

1. Intranet Violation Referral form posted on the division's intranet site, to capture alleged violations referred by division staff.
2. Referral packages submitted by Workers' Health & Safety inspectors
3. Referrals from the Medical Review Division
4. Online Fraud Report form available to the general public on the division web site.
5. Downloadable Fraud Report form
6. Online Violation Referral form available to the general public on the division web site
7. Downloadable Violation Referral form
8. General correspondence received from the public
9. Telephone calls from the public

Other methods of obtaining violation and fraud information include referrals from outside agencies, including district attorneys' offices, and the fraud hotline. Online forms are emailed to the VPT Intake Section of Compliance & Practices, which, along with hard copy forms, are data entered into the VTRA and VRSS systems.

Current Processing Issues

1. The process is manually intensive and much of the information received is narrative in nature.
 - a. The legacy system doesn't meet current business requirements, such as the failure to capture the referring party information and the requirement to attach all referrals to a claim, (some violations are not claim-specific). As a result, C&P developed an Access database, VRSS, to monitor violation referrals and capture those work items unsupported by the mainframe system. While this system provides for much of their workflow, correspondence and reporting requirements, it does not take advantage of data entered from other sources into COMPASS or TXCOMP, (all parties to a violation often already exist in the database), resulting in duplication of data entry efforts.
 - b. The C&P Access database, VRSS, does not interface with the Accounts Receivable Billing System (ARBS) resulting in further duplication of data entry efforts. Once an administrative penalty is entered into the VTRA system, C&P tracks the collection of penalties from ARBS. If there is an appeal of a penalty, C&P manually enters that information into VRSS for tracking and monitoring purposes.
2. During the enforcement process historical compliance issues of the same violation type by the same violator affect the severity of the penalty. The VTRA system captures historical data, but it is cumbersome. The VTRA system does not provide automatic notice of default on payments, or reporting mechanisms to monitor the activities of the system participants, or the ability to identify compliance issues and participants for audit.
3. Current systems don't provide any name or address standardization resulting in multiple entries and requiring careful execution of report queries.

Project Vision

The TXCOMP eCompliance system will support the ability to use our optical character recognition engine (OCR) for the data typed or written on the referral paper forms, which will greatly reduce data entry efforts. Due to integration with other TXCOMP applications, data pertaining to the parties to a violation already exist in the system, further reducing data entry efforts for paper forms or information received from phone calls. Violation referrals are routed via a workflow engine to the appropriate division staff based on the TXCOMP role-based security profiles, for processing, monitoring and enforcement. TXCOMP correspondence and report engines will provide automated letters, notices and reports with no redundancy due to integration with the TXCOMP name and address standardization tools. Further integration with TXCOMP applications and infrastructure enables automated notification of administrative violations such as defaults on payments and will support the tiered structure required for identifying and classifying compliance issues and system parties as required in HB7.

Project Objectives

This project satisfies several of the division and BPI objectives:

1. Reduction of paper violation referrals;
2. Migration of all enforcement and violation data to TXCOMP from legacy systems;
3. Streamlined capture and collection of data from any party to a violation;
4. Reduced data entry efforts;
5. Establishment of integrated audit, investigation, and enforcement processing components within TXCOMP.

OUT OF SCOPE

1. Any technology not already interfaced; we will only leverage the systems already in place for TXCOMP for this release;
2. Any two-way interfaces from TXCOMP to COMPASS (as opposed to our standard one-way flow of data from TXCOMP to COMPASS) to use TXCOMP data for COMPASS processes. We will send all data needed to continue current processing as-is over to COMPASS.

INITIAL PROPOSAL OF PROJECT ITERATIONS

These phases are subject to change, but in order to break the project into manageable pieces, we will analyze as a whole but deploy in these proposed phases (subject to results of detailed analysis and design and the overall project schedule that must conclude by the end of FY07):

- Phase I – Replacement of existing legacy system components
 - Includes new UI for online violation referral
 - Includes processes and UIs needed to close out accounts receivable records related to violations and collected fines
 - Includes TXCOMP work queues for receipt of referrals or other workflow items
 - Includes interfaces to legacy or TXCOMP applications, Accounts Receivable Billing System (ARBS), Dispute Resolution Information System (DRIS), Notice, Participant, and EDI systems.

- Includes data migration of VTRA data
- Includes online reports and graphs
- Phase II – Re-engineering of Violation Tracking Database (not on mainframe)
 - Includes redesigned UI for entering, monitoring, tracking and enforcement
 - Includes interfaces to legacy or TXCOMP applications, Accounts Receivable Billing System (ARBS), Dispute Resolution Information System (DRIS), Notice, Participant, and EDI systems.
 - Includes data migration of VRSS data
 - Includes online reports and graphs
 - Implementation of redesigned forms for OCR capabilities
 - Includes scanning and indexing process of paper forms

TXCOMP Scheduling Dependencies

- This project must happen AFTER Workflow Management is in production;
- This project must happen in conjunction with the accounts receivable application and both must deploy to TXCOMP on a conjoined release schedule; design for one is not complete until the design for the other has been completed
- If this project deploys to TXCOMP before DRIS, an interface to legacy DRIS is required. If this project deploys after DRIS, an interface to the TXCOMP Issue Resolution system is required
- This project must happen after the Notice, Participant, and EDI systems are in place.

Project's Role in Overall BPI Strategy

This project is a minor milestone in the overall COMPASS to TXCOMP BPI conversion strategy due to its relatively small size. Most other functionality required for the application pertains to the claim and participant data components of TXCOMP, currently in system test. In addition, the envisioned application meets BPI objectives by:

- Decreasing dependency on receiving paper documents and generating paper documents;
- Expanding existing functionality in order to allow easier automated communication to, from, and between customers;
- Enabling customers to self-serve;
- Simplifying customers' process and reducing processing costs;
- Limiting exception processing and promoting a single workflow;
- Balancing the protection of confidential data while providing services to customers.

The requirements phase of this initiative must consider:

- Business requirements surrounding the need for a customer to interact with an online violation referral system: how such filings will later be viewed, modified, stored, and deleted. The online system must support reports and correspondence that will be generated due to the filing of such information.
- The business requirements of generating correspondence to participants not party to a claim and acknowledgements to injured workers when a referral is received on their behalf.

- The business requirements of regenerating correspondence without altering the original date of the document.
- The business requirements surrounding the establishment of paper forms, keeping in mind the narrative nature of violation referrals, that are capable of being set up for accurate OCR/ICR (a data extraction process) processing so that the referral data can be collected without adding data entry volume.
- The business requirements for OCR document scanning, indexing, data retrieval and document management of the imaged paper form.
- The business requirement for automatically identifying claims, participants, and topics for follow up action including creation of violation file, calculation of penalties, generation of correspondence and assignment to work queue.
- The business requirements for workflow assignments to division staff.
- The business requirements for automatically calculating tiers and monitoring priority status' including generating correspondence and/or auto-assigning to work queue.
- The business requirements needed for designing a new UI for submission and viewing of violation referrals.
- The business requirements needed to redesign the UI for processing, monitoring, enforcing and tracking violations.
- The business requirements and rules for automatic penalty calculation.
- The business requirements and rules needed for automatic determination of violation category.
- Data requirements for migration of legacy data to TXCOMP and for TXCOMP to pass back to COMPASS only to the extent that data is required for downstream processing.
- The business and data requirements for interfacing with Accounts Receivable, Notice, Participant, EDI, and Dispute Resolution Solutions in TXCOMP.
- The business requirements for auto and manual generation of paper and electronic notification letters and reports that encompasses electronic mailbox requirements.
- The business requirements for calculating historical data based on violator's first day of noncompliance and displaying the information online, including automatically generating charts or graphs to monitor trends.
- The business requirements for tracking the status of impaired insurers and verification upon the creation of a new violation file.
- The business requirements surrounding a tight C&P role in order to limit access to some components of the eCompliance solution that can be accessed or viewed due to the confidentiality nature of enforcement actions.

Involved Roles

Internal: Field Services, Customer Services, Medical Review, Compliance & Practices, Records Processing, Records Archiving, Hearings, Workers' Health & Safety, Division Mail Intake, Strategy Planning, and BITS

External: All system participants; any Texas citizen

KNOWN SYSTEMS/PROGRAMS IMPACTED BY THE TXCOMP VTRA SYSTEM

TXCOMP

- Accounts Receivable Solution, (Tier Four of the BPI Project)

- Dispute Resolution, (Tier Two of the BPI Project)
- Notice Solution
- Participant Solution
- Workflow (BPC)
- EDI Solution
- Datacap
- First Logic Address Standardization
- TruName Name Standardization
- Custom Organization Standardization Engine
- Corticon Business Rules Engine
- Correspondence Engine
- Crystal Reports
- Individual, Incident, and Organization Matching Engines
- Content Manager
- IWay Mainframe Gateway
- CLIP (Compass Legacy Interface Program)

COMPASS

- VTRA
- Accounts Receivable Billing System (ARBS)

Other

- Violation Referral Support System (VRSS)

Project Deliverables

1. Preliminary Project Plan
2. Requirements Specification/Use Case Documentation
3. Elaboration and Object-Oriented Design Document
4. Development Build and Test Plans
5. Development and implementation of Phase I components in TXCOMP test environment
6. Development and implementation of Phase II components in TXCOMP test environment
7. Training documentation
8. Deployment of Phases I through III components in TXCOMP production environment