TXDWC Billing FAQs

Q: Is Verisk authorized to bill and collect fees from workers' compensation insurance carriers?
A: Yes. The Texas commissioner of workers' compensation designated Verisk as the Texas Department of Insurance, Division of Workers' Compensation (DWC's) data collection agent for claim electronic data interchange (EDI) data under Commissioner's Order No. 2021-6929 on July 19, 2021. Insurance carriers, other than governmental entities, must pay the data collection agent an annual fee to submit claim EDI data.

Q: Who must pay for claim EDI data collection costs?
A: Insurance carriers, including certified self-insured employers and certified self-insured employer groups, must pay a percentage of the cost each year for collecting claim EDI data. Texas Labor Code Section 401.024 does not allow governmental entities to be billed for data collection costs.

Q: Who must complete the billing registration?
A: Private Texas workers' compensation insurance carriers, certified self-insurers, and certified self-insured groups must complete the billing registration.

Q: I am a private employer certified by DWC as a self-insured employer. Will I be billed for Texas claim EDI release 3.1.4 data collection services?
A: Yes.

Q: Are Texas governmental entities required to register?
A: No.

Q: Will Texas governmental entities be billed for Texas claim EDI release 3.1.4 data collection services?
A: No. Texas governmental entities are excluded from the billing and collection provisions of Texas Labor Code Section 401.024(e) and (f).

Q: What will the registration contacts be used for?
A: Verisk will send invoices, updates, and other billing information to the primary and secondary registered contacts provided by the insurance carrier.

Q: Am I being billed for claim EDI release 1.0 reporting?
A: No. Verisk is the designated data collection agent for Texas claim EDI release 3.1.4.

Q: When will I be billed?
A: Verisk will bill as follows:
- After March 9, 2022, (effective date of claim EDI 3.1.4 rules) – one half of allotted one-time startup costs.

- After July 26, 2023, (claim EDI 3.1.4 implementation date) – the remaining half of the allotted one-time startup costs plus the first year of ongoing support costs.

Q: How will my first-year ongoing support costs be allocated to each insurance carrier?
A: Insurance carriers, including certified self-insured employers and certified self-insured employer groups, will pay a percentage of the total claim EDI ongoing support costs based on each insurance carrier's or insurance carrier group's 2021 claim EDI accepted transaction volume (TA = transaction accepted + TE = transaction accepted with errors).

This example shows how ongoing support costs are allocated to an insurance carrier:
- Workers' compensation insurance carrier fiscal year (FY) 2021 accepted EDI transactions found in the **Texas WC Carrier FY2021 EDI Transactions** report

- Total number of claim EDI transactions, all insurance carriers, for the FY: **540,643**

- One year of claim EDI data collection costs, all insurance carriers: **$458,850**

    - Step 1: Calculate your percentage.
      Workers' compensation insurance carrier FY 2021 accepted EDI transactions / DWC FY 2021 systemwide accepted claim EDI transaction volume = **workers' compensation insurance carrier percentage**

    - Step 2: Calculate your bill for the first year of claim EDI data collection.
      Workers' compensation insurance carrier percentage x Verisk's first-year ongoing support costs = workers' compensation insurance carriers' first year bill for ongoing support costs

    Example: The bill for the first-year ongoing support cost for a workers' compensation insurance carrier with 12,000 transactions is $10,186.47.

    Step 1: 12,000 / 540,643 = 2.22%
    Step 2: 2.22% x $458,850 = $10,186.47

Q: Are the one-time startup cost allocated across insurance carriers and certified self-insureds based on the EDI transaction volume as well?
A: Yes.

Q: How do I plan for future years' ongoing support costs?
A: Email Verisk at txdwcbillingquestions@verisk.com to discuss how to estimate future years' ongoing support costs.

Q: Where can I get more information?
A: More information and billing FAQs are at txdwcedi.info or email Verisk at txdwcbillingquestions@verisk.com.

Q: My company has a contract with a third-party administrator (TPA) who handles our claim EDI data reporting. Who is responsible for paying the data collection costs?
A: Verisk must bill insurance carriers for data collection fees. TPAs should work with individual insurance carriers based on their contractual arrangements to determine who is responsible for claim EDI data collection fees.

Q: Can a TPA employee be listed as an insurance carrier's billing registration contact?
A: The billing contact must be an employee of the insurance carrier or the insurance carrier group. Verisk will send the bill to the billing contact. Insurance carriers must not list an employee of another company, including a TPA.

Q: We are a TPA that handles claims for multiple insurance carriers. How do we identify which transactions belong to a specific insurance carrier for Verisk billing purposes?
A: Verisk does not have information about the TPA who submitted claim EDI 1.0 transactions. Insurance carriers and TPAs must determine which insurance carrier transactions were submitted by their TPAs.