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Department of Workforce Development

July 28, 1998

INS 394

To: Worker's Compensation Insurers and Self-Insured Employers

FROM Gregory Krohm, Administrator *GK*
Worker's Compensation Division

Subject: Year 2000 Problem

This is to inform our partners in the administration of the worker's compensation system how we are preparing for the Year 2000 Problem (Y2K). The Department of Workforce Development has developed a model program for systematically identifying problem areas, testing, and repairing software and hardware. Often we have or are replacing entire systems to be absolutely certain that we will operate smoothly into the new millennium. Over 29 percent of our agency's Information Technology budget in this fiscal year is targeted expressly for testing and solving Y2K problems. We are pleased to report that our key systems in the Worker's Compensation Division--as far as we can tell after testing--appear to be ready and unaffected by the date change. Specifically, our Y2K preparations and compliance efforts include the following steps:

- Our Integrated Claims Management System (ICMS), deployed in November 1997, was developed using the four-digit year field and is scheduled to be thoroughly tested in our Y2K client server environment;
- All desktop workstations will be tested for date change and will be brought into compliance;
- Our software for receiving Electronic Data Interchange reports uses IAIABC standards, which rely on a two-digit year field. We will address the millennium problem here with windowing logic to manipulate the year field instead of modifying the IAIABC standards. We will soon be testing Advantis's PC Expedite software and Celerity Technologies' ANSI translator software for Y2K compliance;
- Our internal networking and routing systems will be reviewed and thoroughly tested; and
- Software that handles fee disputes, hearing scheduling, and disability estimates is being tested and has a compliance goal of mid-1999.

The above systems that operate internally within the agency should be able to process date sensitive data from and into the 20th and 21st centuries. Our goal is to have worker's compensation systems operate into 2000 without date-related faults or failures in calculations.

The outlook is less clear outside our division. Some critical state systems are not yet compliant. Of greatest impact on the Worker's Compensation Division is the department's



accounting system. This system is needed to support assessments, fines, and certain benefit payments out of the Supplemental Benefits Fund and the Uninsured Employer Fund. Every effort is being made by the Department to bring the accounting system into compliance.

The Division is actively involved in contingency planning with other agencies. To meet the critical needs of other state programs, the Division may be called upon to temporarily reallocate staff in emergency situations. We will not compromise our ability to service critical needs of injured workers, insurers or other stakeholders in the worker's compensation system. Also, we will be reviewing laws and procedures that may need temporary suspension or modification if a true emergency arises. At present we do not anticipate having to take emergency measures, but want to prepare options should these contingencies arise. Like you, we place high importance on the prompt delivery of benefit checks. We also want to be certain that we can communicate with injured workers and insurers about the status of claims and payments. Thus, we will be prepared to reassign staff to public information and assistance duties.

If you have any questions or concerns about Y2K issues, feel free to contact the Division's lead contingency planner, Jean Culbert, 608/266-6898. Please contact us if you anticipate any special Y2K claims handling problems or contingencies for which we ought to be preparing.