Medical Data Call Validation

January 26–29, 2016
Palm Beach County Convention Center
West Palm Beach, FL
Icebreaker

Trivia

1. The safety and effectiveness of prescription drugs in the United States is regulated by which agency?

2. Which organization was formed in 1847 to promote medicine for the betterment of public health?

3. What did the red and white striped barber pole indicate historically?
Objectives

**Usage**
Discuss NCCI’s need for high-quality Medical Call data to perform legislative pricing and research studies.

**Data Quality**
Understand common data quality concerns and the efforts being made to improve quality.

**Data Validation**
Understand the Medical Data validation test approach used by NCCI, and how results are communicated to data providers.

Agenda

- Purpose of the Medical Data Call
- Common Data Quality Topics
- Data Exclusions
- Validation Tests
Purpose of the Medical Data Call

Legislative Pricings—2015

90+ Legislative Pricings Analyses

• Changes to physician fee schedules
• Inpatient hospital—comparing different Medicare-based scenarios
• Outpatient hospital and Ambulatory Surgical Center (ASC)—changes to reimbursement rates
• Drug and supply reimbursements—e.g., repackaged drugs and physician dispensed
• Post-reform rate filings validation
**Legislative Pricings**

- **Common Analysis**
  - Maximum Allowable Reimbursement (MAR) = Conversion Factor $\times$ Medicare Relative Value Units (RVU)
  - Weighted Average percentage change by share of procedures subject to fee schedule

**Research Projects**

**Medical Data Call Research Committee**

- Prescription repackaged and compound drugs
- Medical services, age of claim, and claimant demographics
- Treatments on selected injuries
- Treatments on joint injuries
- WC demographics in relation to Medicare Set-Asides (MSA)
- Payment distributions for medical services in workers compensation compared to group health
Research Projects

- Prescription costs per claim continue to grow
- Physician-dispensed share of Rx costs continues to increase
- Narcotics is 25% of drug costs in 2013 study
- More than 45% of narcotics costs are for drugs with Oxycodone HCL as an active ingredient

Common Data Quality Topics
Data Quality—Key Data Elements

Data Quality Paradigm

Edit Strategy
- Rejection of Files
- Aggregate Quality Review

Data Quality Processes

Key Data Elements
- Carrier Code
- Claim Number
- Policy Number
- Policy Effective Date
- Creation of Claim ID

Key Data Elements must be consistent on a per-claimant basis from all submitters.

Incorrect Reporting of Key Data Elements

Transaction data = No key field change process

1. Suspend future data submissions
2. Correct historical data
3. Validate next submission
4. Allow future data submissions

Consult with NCCI
Data Quality—Duplicate Billing

Additional Reimbursements

- Do not submit the first bill/record
- Submit a **replacement** record
  - Same key fields including Bill ID and Bill Line ID
  - Current cumulative value ($60 not $10)
- Submit a **cancellation** record and a new original
  - Same key fields on cancellation
  - Current key fields and cumulative value on new original
  - Bill ID and Bill Line ID may be unique

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Additional Reimbursements—Replacement Example

<table>
<thead>
<tr>
<th>Claim Number</th>
<th>Transaction Code</th>
<th>Bill ID</th>
<th>Line ID</th>
<th>Paid Procedure Code</th>
<th>Amount Charged by Provider</th>
<th>Paid Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>12345</td>
<td>01</td>
<td>101</td>
<td>1</td>
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<td>00000006000</td>
</tr>
</tbody>
</table>

- Original must be in the same submission or on NCCI database (Quality Validation Edit 0519-04)
- Transaction Date of the replacement record is the date that the additional reimbursement was made in the payer’s system
- Must be $\geq$ Transaction Date on the record being replaced (Return Record Edit 0519-03)
### Additional Reimbursements—Replacement Example

- **Claim Number**: 12345
- **Transaction Code**: 01
- **Bill ID**: 101
- **Line ID**: 1
- **Paid Procedure Code**: 99201
- **Amount Charged by Provider**: 00000007500
- **Paid Amount**: 00000005000

- **Claim Number**: 12345
- **Transaction Code**: 03
- **Bill ID**: 101
- **Line ID**: 1
- **Paid Procedure Code**: 99201
- **Amount Charged by Provider**: 00000007500
- **Paid Amount**: 00000006000

- **Original must be in the same submission or on NCCI database (Quality Validation Edit 0519-04)**

- **Transaction Date of the replacement record is the date that the additional reimbursement was made in the payer’s system**

- **Must be \( \geq \) Transaction Date on the record being replaced (Return Record Edit 0519-03)**

### Additional Reimbursements—Cancellation Example

- **Claim Number**: 12345
- **Transaction Code**: 01
- **Transaction Date**: 20130112
- **Bill ID**: 101
- **Line ID**: 1
- **Paid Procedure Code**: 99201
- **Amount Charged by Provider**: 00000007500
- **Paid Amount**: 00000005000

- **Claim Number**: 12345
- **Transaction Code**: 02
- **Transaction Date**: 20130219
- **Bill ID**: 101
- **Line ID**: 1
- **Paid Procedure Code**: 99201
- **Amount Charged by Provider**: 00000007500
- **Paid Amount**: 00000006000

- **Claim Number**: 12345
- **Transaction Code**: 01
- **Transaction Date**: 20130219
- **Bill ID**: 102
- **Line ID**: 1
- **Paid Procedure Code**: 99201
- **Amount Charged by Provider**: 00000007500
- **Paid Amount**: 00000006000

- **Original must be in the same submission or on NCCI database (Return Record Edit 0519-02)**

- **Transaction Date of the cancellation and new original records is the date that the additional reimbursement was made in the payer’s system**

- **New key fields reported on the new original record**
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- New key fields reported on the new original record

Data Quality—Duplicate Billing

Mirror Duplicates

Two options:
- Do not submit the second bill/record(s)—if both bills are created in the same quarter and the first has not been reported, submit the second bill only
- Submit cancellation record(s) and new original record(s)
### Duplicate Billing—Cancellation Example

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Data Quality—Trending

Unusual percentage of:
- Duplicate transactions
- Pharmacy, inpatient and outpatient hospital, and physician cost by state of jurisdiction
Data Quality—Trending

Differences in sum of Paid Amount from Medical Data Call and Financial Call data and NAIC data on a calendar-year basis

Data Quality—Outreach

Example: Use of Diagnostic Related Group (DRG) Code 999 “Ungroupable” instead of specific DRG codes or the “per-diem” code
Data Quality—Outreach
Inpatient Hospital Bills

- Paid Procedure Code
  - Code associated with the reimbursement
  - Specific DRG Code and not 999

- Hospitals bill using Revenue Codes

- Fee schedule reimbursement is DRG-based

- NCCI receives DRG 999 or charges are duplicated

ICD-10

- Required on billing effective October 1, 2015

- Primary/Secondary Diagnostic Code

<table>
<thead>
<tr>
<th>Field No.</th>
<th>Field Title/Description</th>
<th>Class</th>
<th>Position</th>
<th>Bytes</th>
<th>Header/Detail</th>
<th>Source</th>
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<tbody>
<tr>
<td>20</td>
<td>Primary ICD Diagnostic Code</td>
<td>AH</td>
<td>208-221</td>
<td>14</td>
<td>H/D</td>
<td>CMS 21A (D) UB 67 (H)</td>
</tr>
<tr>
<td>21</td>
<td>Secondary ICD Diagnostic Code</td>
<td>AH</td>
<td>222-236</td>
<td>14</td>
<td>H/D</td>
<td>CMS 21B (D) UB 67A (H)</td>
</tr>
</tbody>
</table>

- Report the code provided by the medical service provider
- NCCI edits consider both ICD-9 and ICD-10 valid for all dates of service
Data Exclusions

Groups with substantial issues may be excluded from pricings or studies.

Examples of issues leading to exclusion:

- High percentage of duplicated transactions
- Incorrect formatting of Paid Procedure Codes or Taxonomy Codes that impacts the ratios

Recap

1. What is Medical Data used for?
2. What are two ways to address duplicate records?
3. What diagnostic code is NCCI ready to accept?
Existing Validation Processes

- Editing
  - Quality tracking
  - Quality validation
- Trend Analyses
- Informal reviews of data

Validation Tests

- Carrier group data is evaluated each quarter
  - Different criteria/scenarios per test
  - Percentages of data by record count or total paid
  - Comparison to industry
  - Identify outliers (unusual percentages)

- Some of these features sound familiar ...
Data Quality—Trending

Unusual percentage of:
- Duplicate transactions
- Pharmacy, inpatient and outpatient hospital, and physician cost by state of jurisdiction

Formalizing Trend Analyses
- Quarterly runs can detect arising issues early
- Automation allows more time for reviewing output and refining criteria
- System identifies repeat outliers not needing to be contacted again
Validation Process

- Identify outlier reporting behavior
- Analyze carrier data to find illustrative examples
- Update validation test system based on explanation
- Investigate medical data systems
- Update system to correct issues

Issue Description & Detail Data

NCCI Medical Data Validator

Carrier / Medical Data Provider Contact(s)

Explanation

Types of Validation Tests

- Record Level Tests
  - National Drug Code (NDC) Unit Reporting
  - Paid Duplicates
  - Jurisdiction to Provider State Comparison
- Claim Level Tests
  - Multi-Accident Date Claims

Detailed discussion helps NCCI determine how to refine our tests
**NDC Units**

- What quantities/unit counts should be reported for NDCs?
  - Pill counts
  - Standard package count
  - Quantity as per NDC standard measurement
- Most prescriptions are for 15, 30, 45, 60, 90, or 120 pills
- Few prescription bills should report 0, 1, or invalid units

**NDC Units**

- Outlier – Common Units (15, 30, 45, 60, 90, 120)
**NDC Units**

- Outlier – 0, 1, or Invalid Units

**NDC Units – Outreach Example**

- See Handout
Duplicate Transactions

- Not properly creating cancellations/replacements
  - Additional Reimbursement
  - Duplicate Billings

Duplicate Transactions – Outreach Example

- See Handout
Jurisdiction to Provider State Comparison

- Jurisdiction State Code: state under whose Workers Compensation Act the claimant's benefits are paid
- Provider Zip Code: location where the medical service was performed
  - Not billing house, pharmacy benefits manager, case management firm
- Identify Provider State based on zip code and compare to Jurisdiction State

Jurisdiction to Provider State

<table>
<thead>
<tr>
<th>Jurisdiction State</th>
<th>Provider State</th>
<th>Comparison</th>
</tr>
</thead>
<tbody>
<tr>
<td>FL</td>
<td>FL</td>
<td></td>
</tr>
<tr>
<td>SC</td>
<td>GA</td>
<td></td>
</tr>
</tbody>
</table>
State Comparison – Outreach Example

- See Handout
Supplemental Information
Presenter Biographies

**John Foust** is the medical data steward for NCCI’s Medical Data Validation Department. Medical Data Validation encompasses collecting, editing, storing, and validating data that is associated with NCCI’s Medical Data Call. He provides Medical Data Call systems support and project leadership as well as data quality review.

John has worked in various departments in NCCI’s Data Resources Division over the past 10 years, including on the Unit Data Collection and Validation teams and in the Voluntary Data Services Department.

**Bob Vaughan, AIDM**, has worked at NCCI for 18 years. He is a consultant in the Data Services Department in NCCI’s Data Resources Division. Bob participates in many projects related to NCCI’s data tools and serves as coordinator for the Data Collection Procedures (DCP) Subcommittee. Bob is also responsible for data reporting communications and manuals. He is actively involved in industry committees focused on data reporting.