Unit Validation and Notification Process

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Agenda

- Become familiar with the unit validation tests and notification process
- Key terms related to Unit Notifications
- Understand the impacts of not responding to Unit Notifications
- Review resources available for notification process

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UNIT DATA VALIDATION

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Upfront Editing → Validation

Upfront Editing

- Validate data at a field or record level at a *given point in time*

Data Validation

- Aggregate unit validation identifies patterns and data anomalies *over a specified time period*
- Validation process checks reasonableness of data against countrywide or state norms

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Validation Tests

Countrywide Tests

- Identify suspect data patterns within or across states by carrier
- Run at any point during the year

State-Based Tests

- Identify patterns within a state
- Shorter validation period
- Run before a state rate filing

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Use of Prior Years Data

- State Ratemaking files use up to 10 report levels
- Submission of subsequent or correction report may trigger errors on prior submissions
- Implementation of new upfront edits may identify issues in prior years' data

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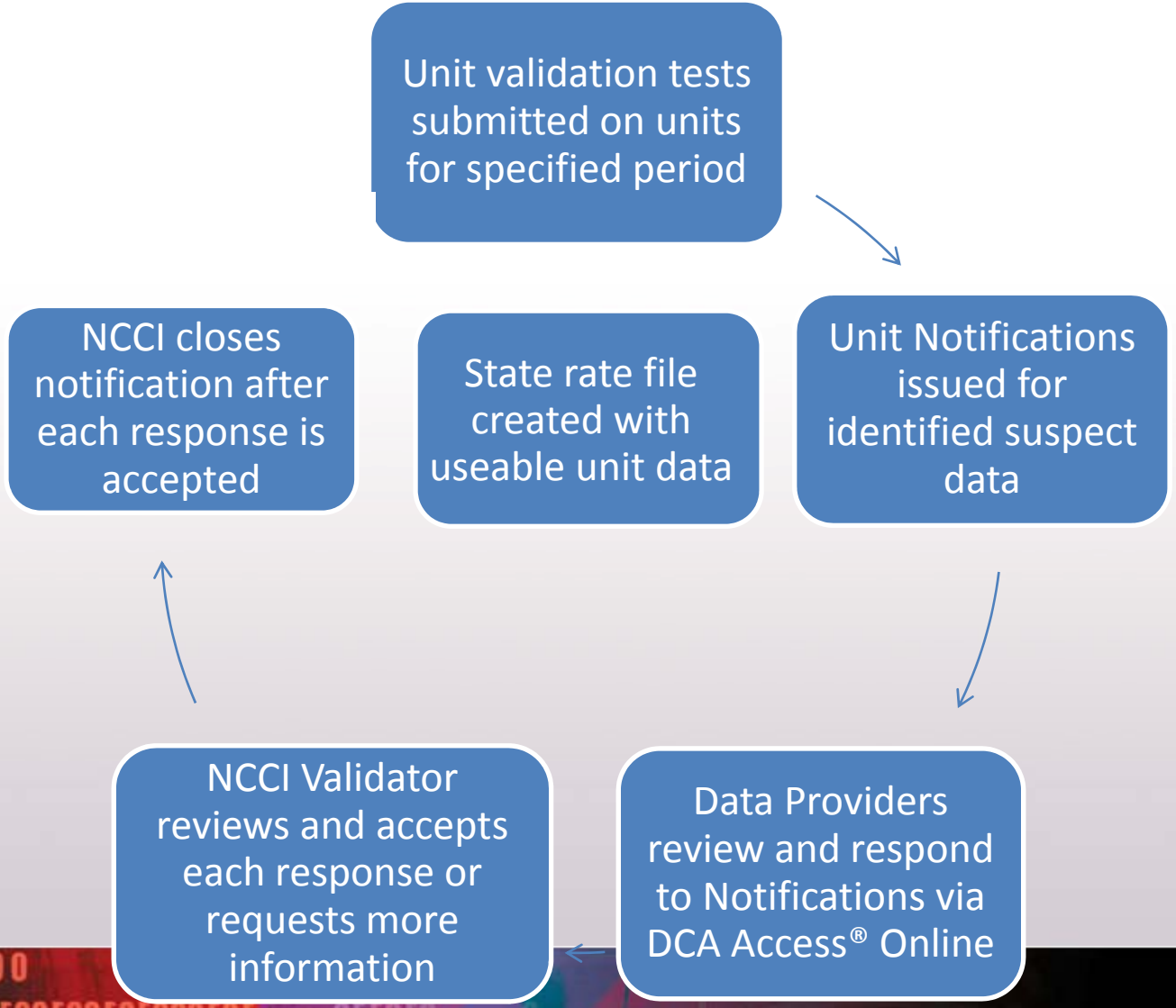
Unit Validation Process



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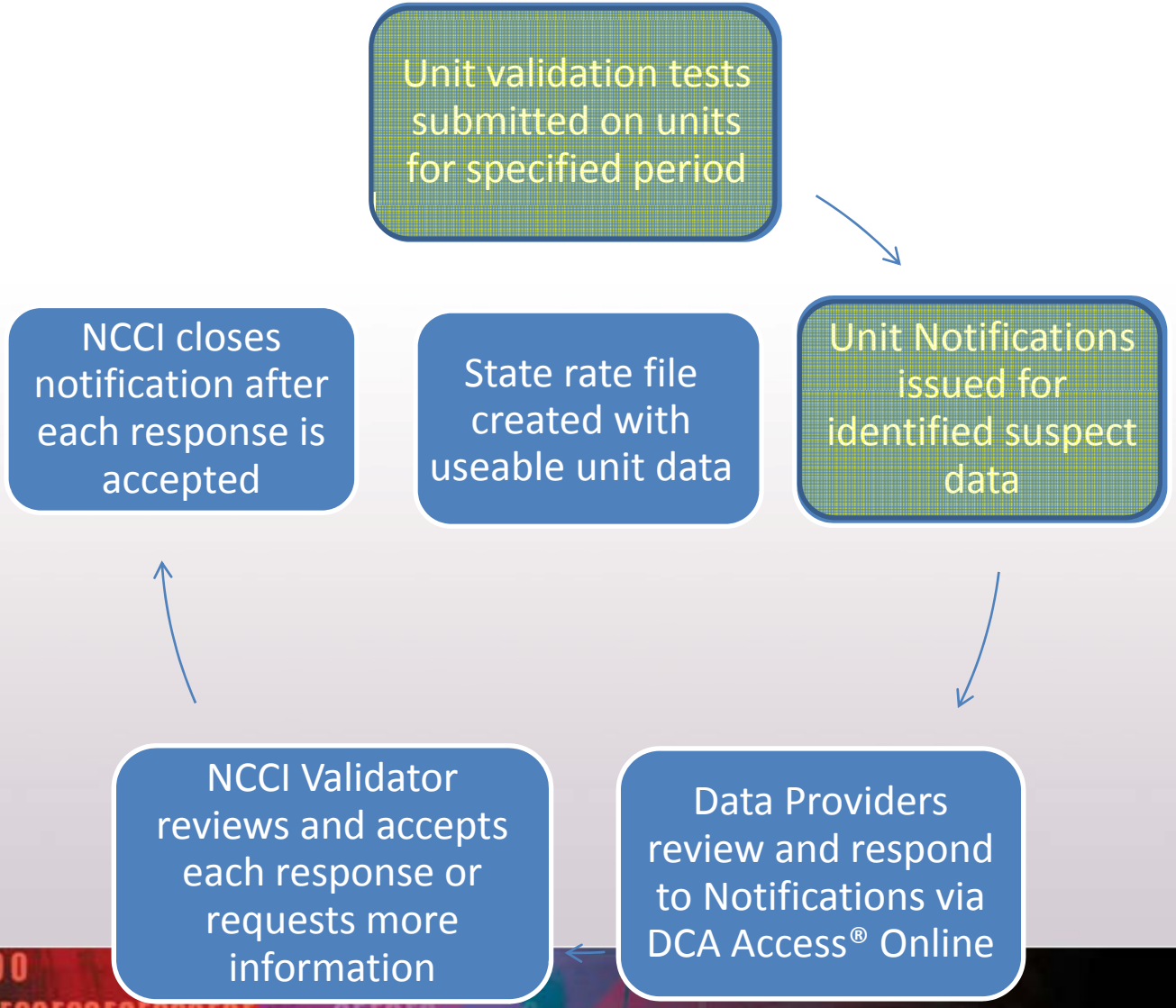
Unit Validation Process



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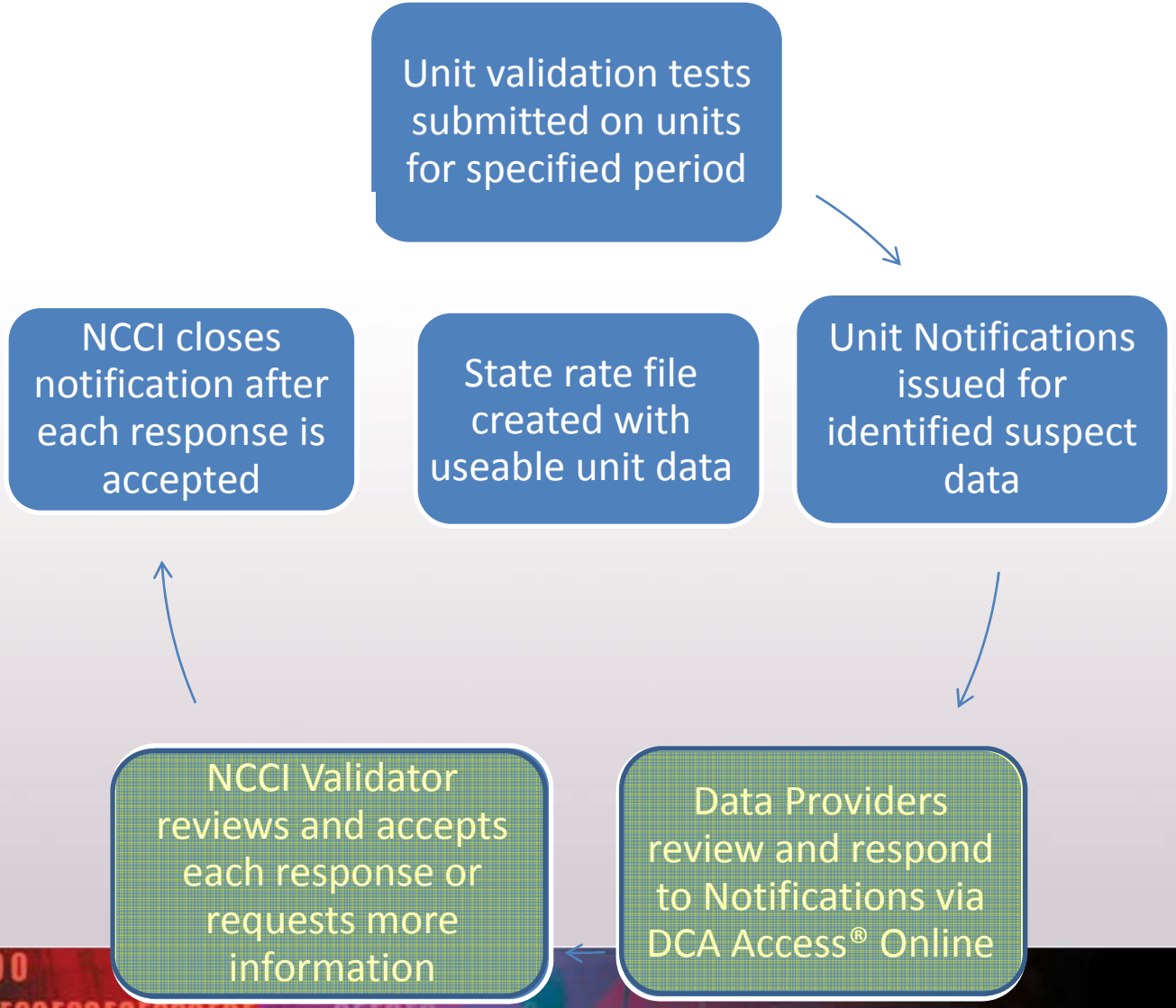
Unit Validation Process



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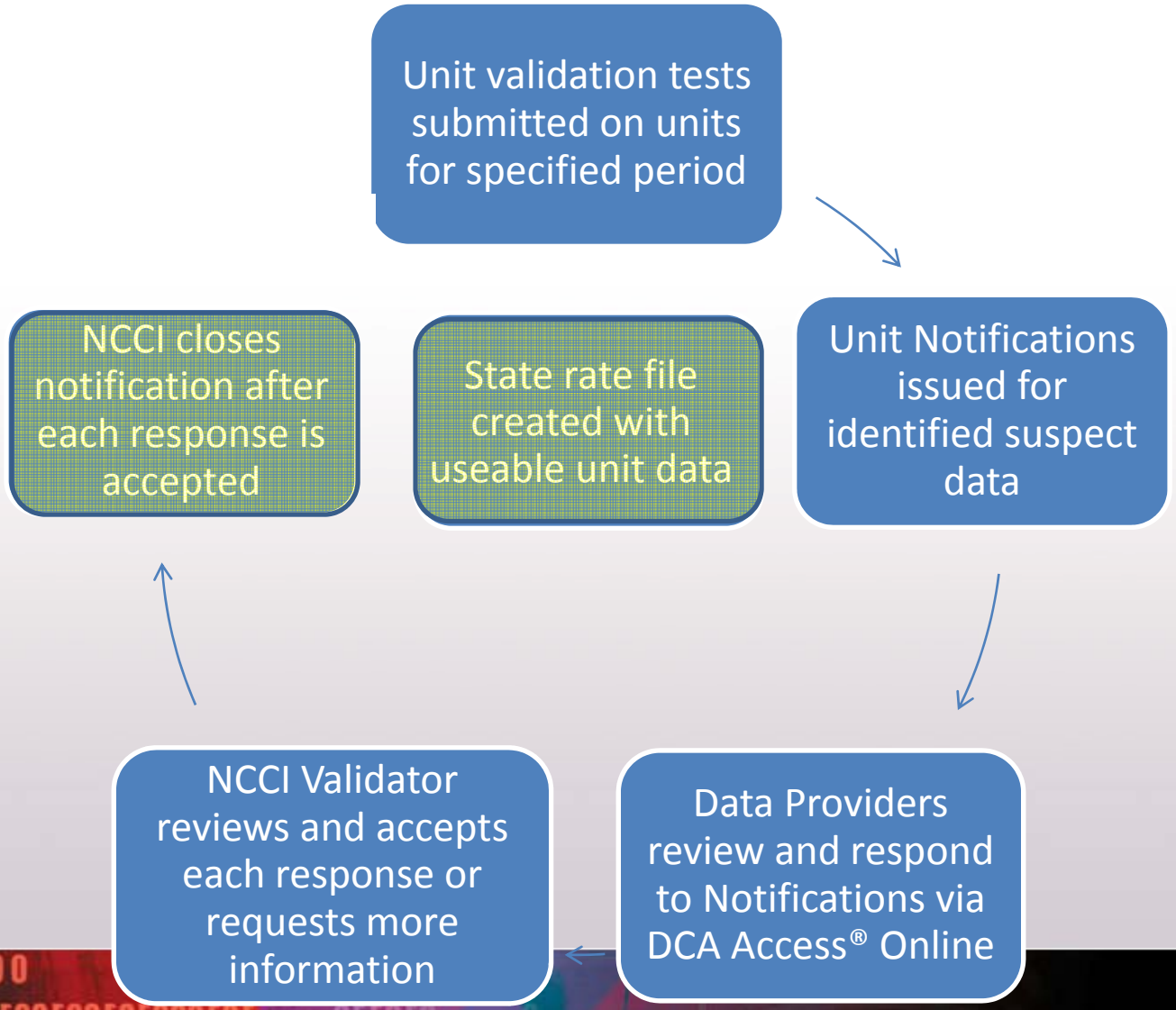
Unit Validation Process



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UNIT NOTIFICATIONS

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Unit Notification Key Terms

- **Notification**
  - Carrier group code level
  - Is assigned a Notification ID#
  - Each notification includes one or more policies (response grid), based on notification type
- **Response Grid**
  - Carrier pup code level
  - Represents one policy (policy number)
  - Each response grid includes one or more response grid rows
- **Response Grid Rows**
  - Exposure or Loss records under a policy (response grid) that require responses
  - Is assigned a Grid Key ID

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Notification Types

- Five categories of Notification types:
  - A = Audit
  - C = Exposure/Loss
  - E = Exposure
  - L = Loss
  - P = Premium
- Each notification type will be identified with a leading alpha character, following a three digit number
  - L223 Class Code Change—Claims

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Notification Status

- Open
- Closed (01)—Data has been explained/corrected
- Unresolved (05)—Notification has open response grid rows 30 days past due date

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Coverage Provider Explanation Code

Coverage Provider Explanation Code are:

- 01 – correct as reported – require detail explanation
- 02 – correction(s) submitted – manual entry
- 03 – need additional information - require detail explanation
- 04 – in review
- 05 – other - require detail explanation
- 06 – correction(s) submitted – auto populates a notification when a correction is received

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NCCI Response Code

NCCI Response Code are:

- NR – No response
- 01 – Accepted response
- 02 – Rejected response – Need additional information
- 03 – Rejected response – Invalid information
- 04 – Other
- 05 – Previously verified

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RESOURCES AND INFORMATION

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DCA Access® Online—Notifications

Primary method of communication between data providers and the NCCI Unit Data Validation Team.

Key Functions

- Search for unit notifications or response grids
- View comments and explanations related to a specific issue
- Provide responses at the claim or exposure level
- Monitor the status of notifications

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Daily Unit Notifications Report

- Identifies responses not accepted with either Response Codes 02, 03, or 04
- Designed to monitor grid rows that remain open after a response has been entered

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Email Notification to Primary Unit Contact

From: Notifications
Sent: Monday, April 26, 2010 2:32 AM
To: Primary Unit Data Reporting Contact
Subject: PICKUP:NCCI DCA Unit Notifications External Facing Report in Your Electronic Mailbox

A copy of your report NOTIFICATIONS WITH OPEN GRID ROWS AND AN NCCI RESPONSE CODE OTHER THAN '01-ACCEPTED RESPONSE' is now available for pickup in your DTVI mailbox.

This file will remain in your mailbox for eight (8) days after this notice was sent to you. Please pick this file up from the following mailbox:

Mailbox: 123456
Carrier Group: 99990
Name: JOHN DATAPROVIDER
unit_validator@ncci.com
File Name: ExtNotifNCCIRspns1448604262010.csv
File Size: 85556
Mon Apr 26 02:32:10 EDT 2010

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Open Grid Rows Not Accepted Report

NOTIFICATIONS WITH OPEN GRID ROWS AND AN NCCI RESPONSE CODE OTHER THAN '01-ACCEPTED RESPONSE'

REPORT GENERATION DATE: Apr/26/2010

Notification ID	Grid Key ID	Policy Number	Policy Effective Date	State	Notification Type Code	NCCI Update Date	NCCI Response Code	NCCI Response	Coverage Provider Explanation Code	Coverage Provider Response
30791	515958	DEPL22301	01/01/20	09	L223	04/09/2010	03	REJECTED RESPONSE - INVALID INFORMATION	01	CORRECT AS REPORTED
30877	516153	DEPL22301	01/01/20	09	L223	02/16/2010	03	REJECTED RESPONSE - INVALID INFORMATION	05	OTHER
30877	516154	DEPL22301	01/01/20	09	L223	02/16/2010	03	REJECTED RESPONSE - INVALID INFORMATION	06	CORRECTION(S) SUBMITTED
30937	516222	DEPE13101	06/01/20	09	E131	02/08/2010	02	REJECTED RESPONSE - NEED ADDITIONAL INFORMATION	05	CLASS CODE ALLOWED PER UNDE

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Unit Notification—Follow-Up Procedures

- If no response received, a follow-up request will be issued on the due date
- If no response received after follow-up request, issue may be escalated to company management

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DQIP Criteria for Unit Notifications

- A debit incentive category has been introduced for Notifications
  - Measures timeliness of responses to grid rows
  - 15% adjustment may apply to calculation of DQIP factor
- ***Data Manager Dashboard*** displays performance results

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Impact of Not Responding

- Follow-up requests will be generated
- Data may be excluded from ratemaking and experience rating products
- Data Quality Incentive Program (DQIP) factor may be impacted

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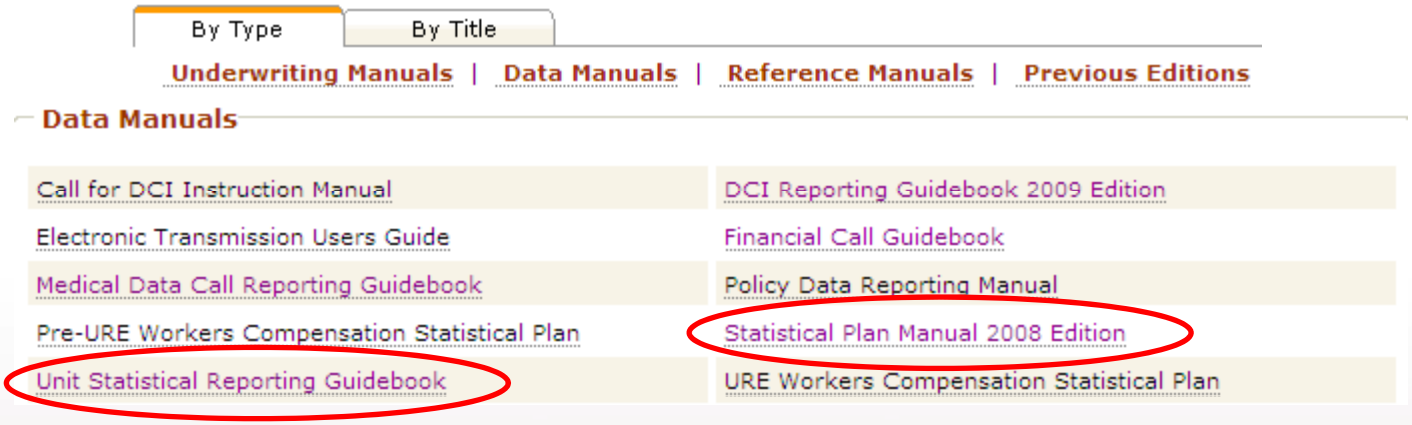
Unit Statistical Reporting References



Validation Process
Data Validation Overview
Validation Test Matrix
Edit Matrix
Reviewing, Researching, and Responding to Validation Tests
Working With Response Tool
Data Quality Compliance Programs

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Unit Statistical Validation Matrix

UNIT STATISTICAL VALIDATION MATRIX—All VALIDATION TESTS IN PRODUCTION (December 10, 2009 release)

Validation Type Code	Validation Type	Validation Description	Validation Summary	Countrywide or State	Effective Date	Update Date	Changes
L221	DUPLICATE CLAIMS ACROSS STATES	CLAIMS APPEAR TO BE DUPLICATES	The attached grid displays duplicate claims (same policy number, claim number, and accident date) reported in two different states at the first and/or subsequent report levels. Please review the claims displayed in the attached spreadsheet, and if claims are duplicated across states, submit the necessary corrections to (1) DELETE erroneous claim data from the incorrect state at all applicable report levels and (2) ADD the claim data to the correct state at all applicable report levels. Please ensure that the claims appear in the Net Claim view of ***DCA Access® Online*** at all applicable report levels in the correct state after corrections have been processed.	C			
L222	SUSPECT NEW CLAIMS ON SUBSEQUENT REPORTS	CLAIMS ARE REPORTED FOR THE FIRST TIME AT A SUBSEQUENT REPORT LEVEL EXCLUDIING EXPANDED LINKING FIELD STATES—MD, TX, VA	The attached grid displays claims that have been reported for the first time at a subsequent report level. (Refer to Part 1—General Rules and Part 4—Loss and Expense Information of the ***Statistical Plan*** 2008 Edition for subsequent reporting guidelines and loss valuation and filing requirements.) Please verify the absence of first report claim data or submit corrections to add the required loss information by the due date.	C/S		3rd Qtr. 2009	MD, TX, & VA have been removed. See Validation Test L422.
L223	CLASS CODE CHANGE—CLAIMS	CLAIMS ARE REASSIGNED TO DIFFERENT CLASSES FROM ONE REPORT LEVEL TO THE NEXT	The attached grid displays claims that have been reported in different class codes from one report level to the next. (Refer to Part 1—General Rules of the ***Statistical Plan*** 2008 Edition for class code reporting guidelines.) Please verify the appropriate class and submit corrections to establish class reporting consistency at all report levels by the due date.	C/S			
L224	OPEN CLAIMS NOT ADDRESSED ON SUBSEQUENT REPORTS	OPEN CLAIMS ARE NOT ADDRESSED AT SUBSEQUENT REPORT LEVELS EXCLUDIING EXPANDED LINKING FIELD STATES—MD, TX, VA	The attached grid displays open claims that have not been addressed at subsequent report levels. (Refer to Part 1—General Rules and Part 4—Loss and Expense Information of the ***Statistical Plan*** 2008 Edition for subsequent reporting guidelines and loss valuation and filing requirements.) Please submit the required claim data at all applicable report levels or submit corrections to close the claims at the current report level by the due date.	C/S		3rd Qtr. 2009	MD, TX, & VA have been removed. See Validation Test L424.

KEY:

Gray shading = Most recent updates

C = Countrywide; S = State; C/S = Countrywide and State

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Responding to Unit Notifications

Review

- Review the notification and its description
- Keep the due date in mind
- Identify the number of response grids that need to be closed

Research

- Check internal premium and claim systems
- Submit to Premium Audit, Underwriting ,or Claim Departments if necessary
- Determine appropriate response action—correction or explanation

Respond

- Submit correction or provide sufficient explanation for each grid row
- Select appropriate coverage provider explanation codes for each grid row, except for submitted corrections

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