

# How Datagaps facilitated a Top 3 Health Insurance Company with APCD Submissions

## APCD's and No Surprises Act

The No Surprises Act is a federal statute designed to shield patients from unexpected medical bills and excessive expenses. It encourages states to establish All-Payer Claims Database (APCD) for collecting Pharmacy Claims, Medical Claims, Provider Data, and Member Eligibility Data. Each healthcare payer has the responsibility to submit this data to the state APCD's following the stringent Data Quality guidelines and thresholds set forth by the state's APCD Councils.

As of October 2023, there are currently :

<b>20</b> states with existing APCDs	<b>4</b> states that are implementing APCDs	<b>10</b> states with a strong interest in APCDs	<b>6</b> states with existing voluntary effort
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## APCD Data Submission Requirements

Some of the Data Quality checks that Healthcare Payers are required to perform before submitting these datasets to APCD's are listed below-

- Domain Checks
- Consistency Checks
- Unicity Checks
- Completeness Thresholds
- Monthly / Yearly Files Submission
- Encryption and Sensitive Data Handling

With 6+ files, each with upwards of 150 rules applied to the multiple data elements of each file, the number of validations and checks rack up to staggering numbers. This effect is compounded by the fact that the Healthcare Payer must go through the data submission process for each state where they operate. With **20 states already following the APCD guidelines** strictly and about 4 in the process of approving the legislature, every Healthcare Payer needs to dedicate significant resources to manage the submissions of these validated claims datasets every month. **Additionally, each state has a variant set of data quality rules and thresholds** (while a common data layout (CDL) is being pushed for, there are numerous exceptions for each dataset and state).



While there are **waivers and extensions** for re-submissions and extensions of deadlines, these require more than a month's notice and could be denied. A failure could be assessed if –

- Submitting a file in an unapproved layout
- A data element in an unapproved layout
- A data element in an unapproved coding
- Failure to submit a data element
- Transmitting health care claims or data files using an unapproved process
- Rejection of a health care claim or data file by the data vendor that is not corrected by the data supplier

## The financial costs of not meeting APCD data submission requirements

“A data supplier that fails to comply with the same reporting requirement in this chapter for which it previously received a warning notice, may be assessed a penalty of two hundred fifty dollars per day, not to exceed a maximum of twenty-five thousand dollars per occurrence. Each failure to comply with a reporting requirement for a reporting period is considered a separate occurrence.”

— *Washinton Legislature Documentation*

With each failure of compliance marked as a separate occurrence, the potential of a single bad file submission causing huge files is tremendously high, with **yearly caps starting at 2.5M\$ reaching 10M\$**.

The central authority can also perform random unannounced audits to ensure compliance for but not limited to

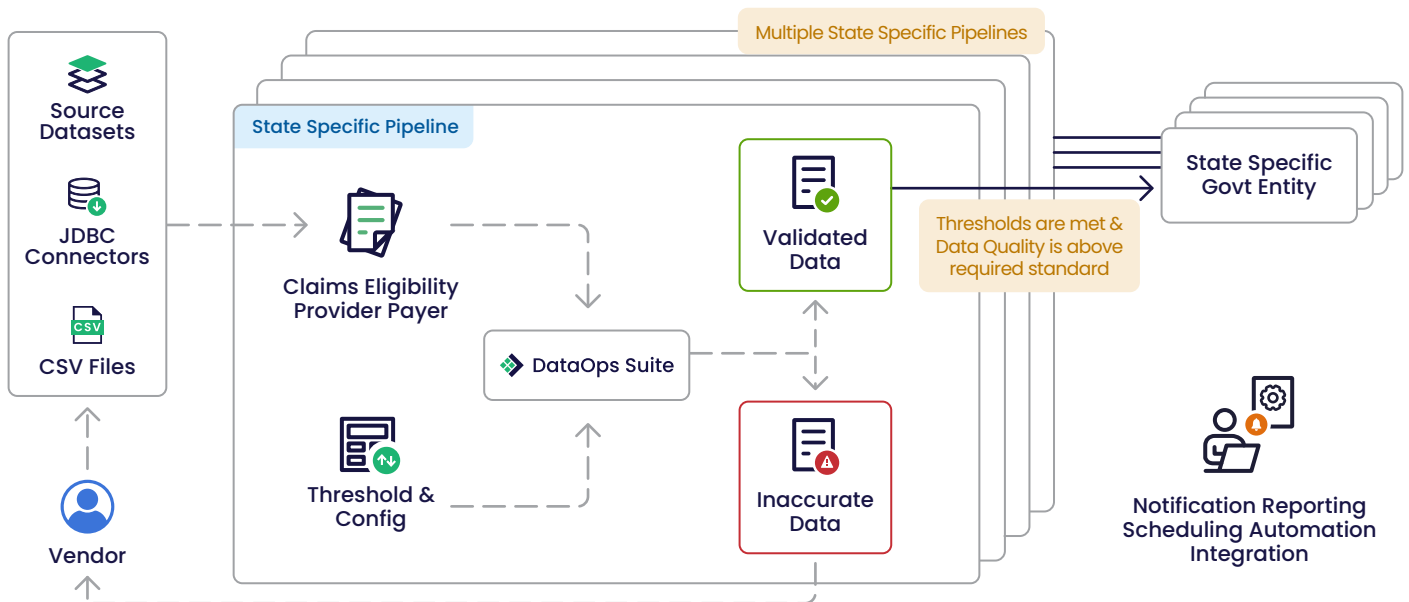
- **Compliance with the data submission guide** including, but not limited to, the accuracy of financial fields
- **Data integrity**, as opposed to data quality checks that the data vendor performs using thresholds and variances
- Finding data that is missing or being withheld from submission
- Documenting the process for determining the number of state-covered persons for each line of business in order to ensure that data suppliers are not artificially creating lines of business with small numbers of covered lives in order to meet the minimum threshold for exclusion to report.



Therefore, for an insurer operating in multiple states, it's a monumental task to achieve high data quality across multiple dimensions and thresholds with rules that vary per state and operationalize this process to a monthly cadence, all with huge potential fines on the horizon. This is where Datagaps has come to support our client.

Culpability Category	Penalty Range per Violation	Yearly Cap for Similar Violations
Did not know	\$5,000-\$100,000	\$2,500,000
Reasonable cause	\$10,000-\$250,000	\$2,500,000
Willful neglect - corrected	\$50,000-\$500,000	\$5,000,000
Willful neglect - Not corrected	\$100,000-\$1,500,000	\$10,000,000

## How Datagaps helped a Top 3 Health Insurance Company with APCD submission for more than 8 years



Datagaps provided the client with a set of predefined templates that can be plugged into existing pipelines for automating the Data Quality checks on the data before submission. With easy integration systems, no disruptions were caused to the existing pipeline.



- The templates contain state-specific rules that we directly imported into the test cases.
- The application automatically segregates the records causing threshold drop of test case failure for investigation and to send back to the vendor.
- Reports are automatically generated for each rule, test case, and pipeline with notifications and JIRA tickets with appropriate contents for alerts in case of failures.
- The low-code parameterized rule set is easy to read and manage for the end users.
- The application resides in the client's environment with no data leakage.

With this solution, our client was able to -

- Perform more than **150 rules per file**
- Work with integrated solutions with **35 providers**
- Successfully submitted files for more than **18 states.** (+7 upcoming)
- Maintained the pipeline for more than **8 years running**