



Circular

JANUARY 4, 2008

DATA REPORTING

DR-2008-01

Data Reporting—New Medical Data Call—Effective 3rd Quarter 2010

ACTION NEEDED

This circular announces a new NCCI Medical Data Call, which will begin with medical transactions occurring in 3rd Quarter 2010, due to be reported to NCCI by the end of the following quarter (December 2010). This will include 28 data elements—including 5 policy/claim linking elements and 23 medical procedure and diagnostic data elements.

Our initial industry communication was posted to ncci.com in November 2007, which included a high-level overview of this new requirement. Accompanying this circular is the following additional information:

- Attachment A—Medical Data Call Reporting Overview
- Attachment B—Medical Data Call Implementation Timeline

This new data reporting requirement, as well as a 30-month industry lead time, was developed with the input of data provider working groups as described in the NCCI Action section of this circular.

Approximately 120 affiliate groups will be required to report the new Medical Data Call, and we will contact these companies later in January 2008.

Also available in January 2008 will be the Medical Data Implementation Guide (Phase 1), as described in the NCCI Action section of this circular.

BACKGROUND

One of NCCI's core activities is the analysis and pricing of proposed state legislation. The data currently utilized for legislative pricing includes the Call for Detailed Claim Information (DCI) and claims data obtained external to NCCI. While these data sources are useful, they do not sufficiently meet our increasing needs given the changing landscape of workers compensation.

Beginning in the 1980s, many states enacted legislative reforms that helped to control indemnity benefit costs. At the time, NCCI collected sufficient data to analyze those reforms. However, over the last decade, medical inflation and the utilization of medical services began to increase. Today, close to 60% of the workers compensation benefits are attributable to medical costs.

With this escalation of medical claim costs, many state regulators and legislators have looked to NCCI for support in the analysis and pricing of their medical cost containment solutions. In 2007, NCCI was called on to provide legislative pricing analysis on more than 185 legislative proposals, and of those, approximately 30% included a medical component.

IMPACT

Additional detailed medical data is required for NCCI to fully support legislative pricing activities and to fulfill research studies. This data is not collected by NCCI, nor is it externally available in the required detail across all NCCI states. For this reason, we determined the need to implement this new Medical Data Call.

NCCI ACTION

In 2006, NCCI began developing the conceptual model of a new Medical Data Call by presenting our business need to NCCI's Board of Directors. The Board directed us to engage our Actuarial Committee and Data Collection Procedures Subcommittee in the process. Throughout 2006 and 2007, we worked with these two data provider groups (and their appointed work groups) to further develop this proposal.

In 2007, we expanded our dialogue on this proposal to additional data providers—enabling us to assess the overall level of acceptance from a broader representation of our affiliated member companies.

At the October 2007 meeting of the NCCI Board of Directors, we presented the updated Medical Data Call proposal, in addition to supplementary materials that included the results of the expanded data provider feedback. After careful consideration, the Board voted for the adoption of the new Medical Data Call.

Medical Data Call Reporting Documentation

NCCI's plan is to roll out reporting documentation in phases, initially as the Implementation Guide, which will transition to the Medical Data Call Guidebook. The three phases are as follows:

- **Phase 1**—In January 2008, the Implementation Guide will be provided on **ncci.com** in a downloadable pdf format. The essential information needed for carriers to begin their assessment of the new reporting requirement will be provided. See Attachment B for additional details.
- **Phase 2**—In April 2008, additional content will added to the Implementation Guide. Refer to Attachment B for additional details.
- **Phase 3**— This phase will transition the Implementation Guide into the Medical Data Reporting Guidebook, which will be provided as a Web-based online manual—added to the Manuals Library. In the future, NCCI will provide additional information on the implementation of this Guidebook, including when it will become available.

Implementation Timeline

The implementation timeline is displayed in circular Attachment B—Medical Data Call Implementation Timeline, which includes the planned industry communications and training opportunities.

PERSON TO CONTACT

If you have any questions, please contact our Customer Service Center at 800-NCCI-123 (800-622-4123). We're here to assist you Monday–Friday, 8:00 a.m.–8:00 p.m. ET. For faster service, use our simple online form on **ncci.com**.

Medical Data Call Reporting Overview

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ATTACHMENT A

Medical Reporting Layout

The Call contains 28 data elements—it includes 5 policy/claim linking elements and 23 medical procedure and diagnostic elements.

Call States

All NCCI states will be included in the Call, pursuant to the Affiliation Agreement, which will be amended to add this as a reporting requirement.

Reportable Transactions

Medical transactions within the state of jurisdiction in NCCI states are reportable. This includes transactions for all workers compensation claims, including medical-only claims.

Claim Exclusion Option

Affiliate Groups may exclude claims for policies representing up to 15% of gross premium from their reporting requirement. The exception must be based on business segment, not claim type or characteristics.

Affiliate Group Participation

Participation will be limited to affiliate groups with at least 1% market share in any one NCCI state over the most recent three years (overall average = 1% or more). The result will include approximately 95% of premium market share across all NCCI states.

Once they meet the eligibility criteria, affiliate groups will be required to report for all NCCI states in which they write, even if an individual state's market share is below the threshold.

Reporting Responsibility

Data providers will have the flexibility of meeting their reporting obligation in several ways, including:

- Submitting all of their Call data directly to NCCI in the prescribed file format
- Authorizing their TPA (third party administrator) business partners to report the source medical data directly to NCCI

Reporting Frequency

The Call will be required on a quarterly basis, with monthly submission also acceptable. Submissions will be due at the end of the following quarter. (Example: 3rd Quarter is due by December 31).

Code Values

The code values mostly utilize industry standards, such as those defined by IAIABC, the American Medical Association (AMA), and the American Dental Association (ADA).

Editing Strategy

The editing strategy will be based on the level of acceptability of the entire quarter's data (one or more data submissions). Based on predetermined tolerance levels, the editing logic will determine if the quarter's data will be accepted or rejected.

Compliance Program

A compliance program will be utilized that will provide financial incentives and disincentives in order to encourage timely and accurate reporting.

Industry Lead Time

Thirty months of industry lead time is being provided. The initial medical transactions will be those occurring in 3rd Quarter 2010, which will be due at the end of the following quarter (December 2010).

Industry Support

NCCI will support the industry to enable it to meet the reporting requirement via communication and training tools, as follows:

- Medical Section on **ncci.com**
- Medical Implementation Guide
- Medical Circular Series
- Web-Based and Regional Training
- Data Reporting Workshops

Medical Data Call Implementation Timeline

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ATTACHMENT B

2007 Activities

November

In early November, the initial Web article feature was posted to **ncci.com**. This article described the Medical Data Call business need, Call development process, overview of reporting requirements, and more.

2008 Activities

January

Initial Medical Circular (DR-2008-01)—The initial Medical Data Call circular is available on **ncci.com**, and it was sent to several NCCI mailing lists to ensure a broad distribution of this new information. The circular included the timeline of events from 2008 through 2010.

Contact Reporting Companies—NCCI will send letters to approximately 120 affiliate groups that meet the eligibility requirements for the Medical Data Call. The participation threshold is based on affiliate groups with at least 1% market share in any one NCCI state over the most recent three years (overall average = 1% or more), based on 2004–2006 premiums. These letters will request that each affiliate group identify a designated Medical Data Call primary contact.

Medical Data Implementation Guide (Phase 1)—In January 2008, Phase 1 of the Implementation Guide will be provided on **ncci.com**, to include the following components:

Record Layout (28 data elements)	Data exclusion rule
Data Dictionary	Checklist “Roadmap”
Eligibility Requirements	Reporting Timeline
Edit Strategy	Eligible States

NCCI Data Management Program—The Data Management program will be held on Wednesday, January 23 and will provide background, business needs, and further details on the new Medical Data Call. Visit **ncci.com** for further details and online registration.

Data Reporting Workshop—The January Workshop will be conducted on Thursday and Friday, January 24 and 25, and will include an overview of the Medical Data Call. Log onto **ncci.com** for further details and online registration.

March

New Medical Data Reporting Section (ncci.com)—The new Medical Data Reporting section on **ncci.com** will be launched, which will be the central source for all information on this new reporting requirement. This section will continuously be updated with new information as it becomes available.

Medical Data Call Implementation Timeline

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ATTACHMENT B

April

Medical Data Implementation Guide (Phase 2)—In April 2008, Phase 2 of the Implementation Guide will be provided on ncci.com, to include the following components:

Reporting Rules	Certification Process
Compliance Program	Coding Structure
Media Options	Data Exclusion Rule

3rd–4th Quarter

ncci.com—The Medical Data Reporting section on the Web site will continually be updated with the latest information.

Training—NCCI will conduct additional Webinar and Regional Training sessions.

2009 Activities

1st Quarter

Data Reporting Workshop—The January Workshop will include training sessions on the Medical Data Call.

2nd–4th Quarter

Additional Web and regional training opportunities will be determined.

2010 Activities

1st Quarter

Data Reporting Workshop—The January Workshop will include training sessions on the Medical Data Call.

2nd Quarter

NCCI will require carriers to be certified prior to reporting their first production submission. Certification testing will begin in 2nd Quarter 2010. Information on the certification process will be provided in the Medical Data Implementation Guide (Phase 2 release).

3rd Quarter

The Medical Data Call will begin with medical transactions occurring in 3rd Quarter 2010. Data will be due by the close of the following quarter; however, NCCI will accept interim submissions with partial quarter's data beginning in 2nd Quarter 2010. Below are examples of monthly and quarterly submission schedules.

Monthly—Three monthly data submissions can be submitted with the entire quarter's data due at the end of the following quarter. (Example: For 3rd Quarter, the monthly reporting of July data can be reported in August, August data in September, September data in October—with the entire quarter's data due by December 31.)

Quarterly—One submission can be reported by the end of the following quarter. (Example: 3rd Quarter is due by December 31.)