

# Fact Sheet

## Minnesota All Payer Claims Database Submission Requirements and Variance Management

### Background

As part of a bi-partisan response to concerns about the sustainability of health care spending and effectiveness of health care, the Minnesota Legislature established the Minnesota All Payer Claims Database (MN APCD) in 2008 to inform policy-making and delivery system improvement.

Since 2009, the Minnesota Department of Health (MDH) has built one of the most robust and complete APCDs in the country. The MN APCD has produced important evidence on:

- The delivery of pain management treatment in Minnesota (2014);
- The volume and cost associated with potentially preventable health care services in the state (2016);
- The burden of chronic disease in Minnesota and certain specific chronic conditions across the state's counties (2015); and
- Evidence on the drivers of private health care spending (2016).

In addition, other significant work underway will document concentration of health care spending in Minnesota, identify health insurance market changes since implementation of federal health reform, and study variation of pediatric health care quality across Minnesota counties.

None of this work would have been possible without the strong partnership MDH has had with its vendors and payers, including health insurance carriers, third-party administrators, and prescription drug benefit managers. Continued work with all partners, including employers, will ensure that we maintain an effective MN APCD that will continue to bring high value to health policy decisions in the state.

### MN APCD Submission Requirements

Health plan companies, third-party administrators (TPAs), and pharmacy benefit managers (PBMs) that meet requirements set out in Minnesota laws and rules are obligated to submit health care claims data for Minnesota policyholders to the MN APCD. **THESE REGULATIONS IMPOSE THE DUTY TO SUBMIT DATA ON COMPANIES THAT PAY AND PROCESS CLAIMS, NOT AN EMPLOYER.**

In implementing Minnesota law and establishing the data collection framework in 2008, MDH established two main requirements for health plan companies, TPAs, and PBMs. These requirements remain in force:

## MINNESOTA ALL PAYER CLAIMS DATABASE SUBMISSION REQUIREMENTS AND VARIANCE MANAGEMENT

- **REGISTRATION:** Health plan companies, TPAs, and PBMs that pay or process claims for Minnesota residents are required to register annually with the State's data aggregation vendor. <sup>2</sup>The registration is due by April 1 of every year and must include the dollar amount of health care claims paid for covered individuals during the previous calendar year. <https://mn-registration.onpointhealthdata.org/>
- **Data submission:** Health plan companies and TPAs are required to submit health care claims data for Minnesota residents to the MN APCD if they paid a total of at least \$3,000,000 in health care claims for Minnesota residents during the previous calendar year. Pharmacy benefit managers must submit health care claims data for Minnesota residents if they paid at least \$300,000 in claims for Minnesota residents during the previous calendar year. To determine if a health plan company, TPA or PBM is required to submit data to the MN APCD under these thresholds, each potential submitter must consider the *total* volume of health care claims paid for covered Minnesota individuals, regardless of whether the data on those claims will ultimately be submitted to the MN APCD.

## Variance

Minnesota Rules 4653 establishes the Minnesota Health Care Claims Reporting System and identifies the entities that must submit data, the data to be submitted, and the submission procedures. Minnesota Rule 4653.0500 provides for two types of variances for data submitters: (1) a rule variance for submission of specific data elements or submission specifications and (2) a threshold variance for meeting a specified threshold.

### Rule Variance Petition

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*THE PETITION FOR A RULE VARIANCE REQUEST MUST INCLUDE THE FOLLOWING:*

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1. The name, address, telephone number, and email address of the person or entity for whom a variance is being requested
2. A description of and citation to the specific portion of the rule for which a variance is requested
3. The variance requested, including the scope and duration of the variance
4. The reasons that the petitioner believes justify a variance, including a signed statement attesting to the accuracy of the facts asserted in the petition
5. ALL OF THE FOLLOWING CRITERIA MUST BE DEMONSTRATED:
  - **FAILURE TO GRANT THE VARIANCE WOULD RESULT IN HARDSHIP OR INJUSTICE TO THE DATA SUBMITTER** (*Note: A showing that compliance with the rules requires expenditure of resources does not, by itself, constitute a demonstration of hardship or injustice*);

- THE RULE VARIANCE WOULD BE CONSISTENT WITH THE PUBLIC INTEREST  
(*Note: Public interest is presumed to be served by obtaining data that is as complete as possible*); and
- THE VARIANCE WOULD NOT PREJUDICE THE SUBSTANTIAL LEGAL OR ECONOMIC RIGHTS OF ANY PERSON OR ENTITY. (*Note: The fact that a data submitter is close to the cut-off for health plan companies and third-party administrators or the cut-off for pharmacy benefit managers does not, by itself, constitute evidence satisfying any of the criteria.*)

**FOR SUBMITTERS WISHING TO SUBMIT A VARIANCE REQUEST RELATED TO SUBMISSION OF DATA FROM EMPLOYERS THAT ARE ELIGIBLE TO WITHHOLD THEIR DATA, THE VARIANCE REQUEST MUST INCLUDE:**

- a. Verification that claims not submitted are associated with a specific employer group that is eligible to withhold their data, and
- b. Verification that the employer group has affirmatively elected to not submit data to the MN APCD for a given reporting period.

6. A history of the agency's action relative to the petitioner, as relates to the variance request
7. Mail to: Diane Rydrych, Director, Division of Health Policy | Minnesota Department of Health | P.O. Box 64882 | St. Paul, MN 55164-0882

## THRESHOLD VARIANCE REQUEST

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*A VARIANCE FOR A THRESHOLD REQUIREMENT, A DATA SUBMITTER MUST DEMONSTRATE THAT IT MEETS EACH OF THE FOLLOWING CRITERIA:*

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1. A good faith reason that it is unable to meet the standard threshold;
2. The proposed alternative threshold; and
3. The basis for the proposed alternative threshold.
4. Threshold variance requests should be submitted to Onpoint at [mn-support@onpointhealthdata.org](mailto:mn-support@onpointhealthdata.org)

## Frequently Asked Questions

*Q. Is it legal for health plan companies and third-party administrators to submit claims to the MN APCD from employers eligible to withhold their data?*

A. Yes.

*Q. Are employers allowed to submit their claim data voluntarily?*

A. Yes, and MDH encourages all plan sponsors, or employers, to direct their health plan companies, TPAs, and PBMs to submit their complete de-identified data to the MN APCD. MDH is eager to work with all employers on improving the value the MN

APCD represents for the state broadly and employers, specifically. At this point, for instance, MDH is considering how to use Minnesota's new Public Use File (PUF)<sup>4</sup> process to make available summary data that are of importance to employers.

*Q. Does the Health Insurance Portability and Accountability Act (HIPAA) require the consent of the covered member prior to submission of their claims data to the MN APCD?*

**A.** No. HIPAA permits disclosure of protected health information without patient consent by a covered entity (e.g., an employer) to a public health authority, such as the Minnesota Department of Health (45 Code of Federal Regulations §164.512(b)).

*Q. Are governmental employers or other non-ERISA governed employers eligible to withhold their data from the MN APCD?*

**A.** No. Minnesota law continues to require health insurance companies, TPAs, and PBMs to submit data for non-ERISA-covered entities.

*Q. How does MDH protect the privacy of covered members?*

**A.** MDH data submission and data handling guidelines provide a very high level of protection for the data included in the MN APCD. Among other provisions, the data are de-identified before they are submitted to the state, meaning a member's name and date of birth are never included in the data. Also, the data are protected by multiple layers of physical and administrative access controls, including isolation from the Internet and restricting access to the data to a very small group of closely-monitored researchers. More information about the privacy and security protections associated with the MN APCD and how MDH uses the data is available at: Overview of MN APCD (<http://www.health.state.mn.us/healthreform/allpayer/mnapcdoverview.pdf>).

*Q. How do these privacy provisions square with MDH releasing Public Use Files?*

**A.** As required, public use files consist of highly aggregated data and summary tables. These data files and tables, which have been made available for the first time in March 2016, protect the identities of individuals, providers and health plan companies. All individual-level data is aggregated to a grouping of 16 geographic areas and three age groups. Where these groupings leave few observations, the data is redacted. Additional

*Q. How does a new health plan or third party administrator get ready to provide data to the MN APCD?*

**A.** Health plan companies, TPAs and PBMs subject to data reporting under Minnesota laws, should contact MDH's current data aggregation contractor for assistance: Onpoint Health Data at [mn-support@onpointhealthdata.org](mailto:mn-support@onpointhealthdata.org). Potential data submitters may also direct questions to MDH staff at [health.apcd@state.mn.us](mailto:health.apcd@state.mn.us). To begin the registration-process, use this website: <https://mn-registration.onpointhealthdata.org/>.

*To obtain this information in a different format, call: 651-201-3555. Printed on recycled paper.*

<sup>1</sup> Minnesota Statutes, Section 62U.04 and Minnesota Rules, Chapter 4653.

<sup>2</sup> Minnesota Rules, Part 4653.0200, Item A

<sup>3</sup> <https://www.revisor.leg.state.mn.us/rules/?id=4653.0500>

<sup>4</sup> As required by the Minnesota Legislature, MDH produced summary data files based on the MN APCD as Public Use Files (PUFs): <http://www.health.state.mn.us/healthreform/allpayer/publicusefiles>. Through discussions with potential users, including employers, MDH will develop an evolving set of PUFs annually.