ACA Data Quality Checklist

Common Data Errors to Avoid

Even the cleanest ACA data has a few issues at reporting time. These are the most common errors we see coming through our clients' data feeds. Be sure you check for these basic items when preparing compliance reporting to avoid IRS submission failures.

INCORRECT OR INVALID DATA

If your ACA data is incorrect, it may result in failure to offer benefits to all eligible employees as well as spending more time on corrections after filing.

Here are common examples of inaccurate data:

- ☑ **Invalid or incorrect Social Security Number (SSN)** – The employee's SSN doesn't have the correct number of digits or doesn't meet the requirements set by the Social Security Administration for a valid SSN. These errors can possibly cause more than one form for the same employee or duplicate dependent records on the 1095-C form.
- ☑ **Hours worked before hire date** – Sometimes this is normal (e.g., employee orientation). Often however, it is an indication of an incorrect hire date.
- ☑ **Hours worked post termination date** – Similar to hours before hire, this can be normal (e.g., a last paycheck or payout post-term). However, it often indicates an incorrect termination date.

- ☑ **Data discrepancies** – Different data for the same employee comes from different systems (e.g. SSN from benefits data is different than demographic and payroll).
- ☑ **Incorrect minimum plan cost** – Calculations will be wrong if the incorrect minimum cost is used.
- ☑ **Incorrect or missing employment status** – For example, when an employee is listed as as part-time instead of full-time.
- ☑ **Incorrect hire date** – For example, original hire date used instead of rehire date or new hire date after acquisition.
- ☑ **Incorrect / invalid employment term dates** – This could include employees that term and are rehired.

MISSING DATA

Having all your data in one place is important to make sure your ACA reporting is accurate. Missing data can occur from typos, failure to include all data sources or issues from not including data from all EINS.

Here are some common pieces of ACA data that might be missing:

☑ **Employee name**

☑ **Employee address**

☑ **Missing hours** – The number of hours worked is necessary information for tracking employee eligibility. If the hours are not provided or are incorrect, the employee's determination of eligibility could be impacted.

☑ **Missing both hourly rate and salary** – One or the other is mandatory to calculate the affordability of health plans offered to employees.

☑ **Missing EIN data** – Data from all EINs is not included.

☑ **Missing dates** – Benefit term dates for employee and/or dependents.

DATA FORMATTING ISSUES

ACA data needs to be formatted accurately in order to send out the 1095-C employee forms and to capture data for accurate reporting.

☑ **Malformed data** – The data is not in the correct format. For example, hire date should be a date value and employee name should be text.

☑ **Character count** – Addresses or city names that exceed the allowable character count can result in forms not getting delivered to the employee.

☑ **Postal codes** – The United States Postal Service has specific character limits for postal codes and addresses. If the correct formatting for ZIP Codes and/or addresses is not followed, it can cause issues with form deliverability. (Note: special characters are not allowed.)

DATA TRACKING ISSUES

Another key factor to accurate reporting is setting up clear processes to ensure that employee eligibility and offers of insurance are being tracked correctly.

☑ **Employment and Benefits Date Order** – Verify that dates follow the proper chronological order: Hire Date < Benefit Start Date < Benefit Termination Date and Employment Termination Date (can be same as or before Benefit Termination Date).

☑ **Not tracked accurately** – Counting employees who drop medical coverage as termed instead of waived, only reporting employees that enrolled in benefits, or not tracking those who were offered but waived coverage can cause MEC compliance errors are examples of inaccurate tracking.

☑ **Duplicate pay hours** – Make sure you know how your vendor wants to receive data and don't send your vendor the same week of hours multiple times.

☑ **Leave Hours** – Not tracking any type of leave or tracking leave hours that are not protected by the ACA can lead to inaccurate measurement results.

ABOUT US

Tango Health makes ACA Compliance easier with a full-service solution. We guide our clients throughout the year to keep them on track – from aggregating data, to filing with the IRS, to helping respond to penalty notices. If your current ACA Compliance vendor is falling short or does not help with state individual mandate reporting, we are ready to help.