

April 26, 2018

Ms. Karla Mouw
DCS Deputy Assistant Director
Comprehensive Medical and Dental Program
3003 N. Central Ave., 18th Floor
Phoenix, AZ 85012

Dear Ms. Mouw:

Attached are the final results of the Encounter Data Validation studies for Comprehensive Medical and Dental Program for Contract Year Ending (CYE) 2015. The review was conducted in accordance with Section D, paragraph 65 of Contract YH15-0001 and the Encounter Data Validation Technical Document. The review scope included two sections: Acute study “A” for all professional services and the Acute study “B” for all facility services. The studies measured:

- Claim included in the Contractor’s claim submission and encountered in AHCCCS’ Prepaid Medical Management Information System (PMMIS) (Match) – reviewed for accuracy and timeliness.
- Claims included in the Contractor’s claim submission but not encountered in PMMIS (NotEnc InCIm) – reviewed for omission.
- Encounters reported in PMMIS but not included in the Contractor’s claim submission (InEnc NotCIm) – reviewed for omission from claim submission file.

A preliminary report was provided to allow the Contractor the opportunity to review and submit any additional information that may have affected the final error rate calculations. After considering the Contractor response, the results have been applied to the total population of “A” and “B” encounters.

For study “A” Match, there were 283,682 encounter/claim matches identified from a sample size of 294,772 claims; a subsample of 153 was randomly selected. AHCCCS manually compared the supporting information provided by the Contractor to the adjudicated encounters within PMMIS resulting in 22 accuracy error and 10 timeliness errors, yielding an overall error rate of 14.38% for accuracy and 6.54% for timeliness. For study “B” Match, there were 16,150 encounter/claim matches identified from a sample size of 17,582 claims; a subsample of 152 was randomly selected. AHCCCS manually compared the supporting information provided by the Contractor to the adjudicated encounters within PMMIS resulting in 1 accuracy error and 0 timeliness errors, yielding an overall error rate of 0.66% for accuracy and 0.00% for timeliness.

For study “A” NotEnc InCIm, there were 11,090 possible omissions identified from a sample size of 294,772 claims; a subsample of 309 claims was randomly selected. AHCCCS manually compared the supporting information provided by the Contractor to the adjudicated encounters within PMMIS resulting in 238 omission errors, yielding an overall error rate of 2.90%. For study “B” NotEnc InCIm, there were 1,432 possible omissions identified from a sample size of 17,582 claims; a subsample of 264 claims was randomly selected. AHCCCS manually compared the supporting information provided by the Contractor to the adjudicated encounters within PMMIS resulting in 170 omission errors, yielding an overall error rate of 5.24%.

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For study "A" InEnc NotCln, there were 22,096 possible omissions identified from a sample size of 316,380 encounters; a subsample of 314 claims was randomly selected. AHCCCS manually compared the supporting information provided by the Contractor to the adjudicated encounters within PMMIS resulting in 310 omission errors, yielding an overall error rate of 6.90%. For study "B" InEnc NotCln, there were 602 possible omissions identified from a sample size of 17,103 encounters; a subsample of 216 claims was randomly selected. AHCCCS manually compared the supporting information provided by the Contractor to the adjudicated encounters within PMMIS resulting in 24 omission errors, yielding an overall error rate of 0.39%.

For each study, if the error rate falls below the acceptable rate of 5%, no sanction will be applied. The Contractor's error rates and sanction amounts, if applicable, for each study are as follows:

STUDY	Error Rate	Sanction
A Match Accuracy	14.38%	\$19,129.05
A Match Timeliness	6.54%	\$569.57
A NotEnc InCln	2.90%	\$0.00
A InEnc NotCln	6.90%	\$2,066.97
B Match Accuracy	0.66%	\$0.00
B Match Timeliness	0.00%	\$0.00
B NotEnc InCln	5.24%	\$11.28
B InEnc NotCln	0.39%	\$0.00

AHCCCS has elected to waive the CYE15 Data Validation Audit Sanction. Per the terms of the Contract, sanctions are not the Administration's exclusive remedy. In particular and without limiting possible future actions, if any legal action is brought against the Administration as the result of your non-compliance with the Contract, the Administration will seek compensation from you for any damages arising from such legal action including but not limited to the Administration's cost of representation as well as the cost of any attorneys' fees and costs payable to the party bringing the action.

Within 24 hours of receipt of this letter, the final work papers for each study will be uploaded to the SFTP at <https://sftp.statemedicaid.us/CMDP/OTHER/DHCM/OUT/>.

Thank you for your assistance with this Centers for Medicare and Medicaid Services (CMS) requirement. If you have any questions, please contact Linda Oakley at (602) 417-4308 or linda.oakley@azahcccs.gov.

Sincerely,



Meggan Harley, CPPO, MSW
Chief Procurement Officer
Division of Business and Finance
Mail Drop #5700

C: Lori Petre, AHCCCS
DHCM/DA&R File