

November 23, 2016

Dr. Laura Love
Assistant Director
DDD/DES
1789 W Jefferson, 4th Floor
Site Code 791A
Phoenix, AZ 85007

Dear Dr. Love:

Attached are the final results of the Encounter Data Validation studies for DDD/DES for Contract Year Ending (CYE) 2013 and 2014. The review was conducted in accordance with Section D, paragraph 74 of the Contract and the Encounter Data Validation Technical Document. The review scope includes two sections: ALTCS study "A" for Home Health, Therapies, and Personal Care and the ALTCS study "B" for Nursing Facilities. 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 16,175,332 encounter/claim matches identified from a sample size of 16,355,583 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 0 accuracy errors and 0 timeliness errors, yielding an overall error rate of 0.00% for accuracy and 0.00% for timeliness. For study "B" Match, there were 140,626 encounter/claim matches identified from a sample size of 156,074 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 1 accuracy error and 1 timeliness error, yielding an overall error rate of 0.65% for accuracy and 0.65% for timeliness.

For study "A" NotEnc InCIm, there were 180,251 possible omissions identified from a sample size of 16,355,583 claims; a subsample of 317 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 0.08%. For study "B" NotEnc InCIm, there were 15,448 possible omissions identified from a sample size of 156,074 claims; a subsample of 311 claims was randomly selected. AHCCCS manually compared the supporting information provided by the Contractor to the adjudicated encounters within PMMIS resulting in 43 omission errors, yielding an overall error rate of 1.37%.

For study "A" InEnc NotCIm, there were 237,468 possible omissions identified from a sample size of 16,523,633 encounters; a subsample of 317 claims was randomly selected. AHCCCS manually compared the supporting information provided by the Contractor to the adjudicated encounters within PMMIS resulting in 14 omission errors, yielding an overall error rate of 0.06%. For study "B" InEnc NotCIm, there were 19,304 possible omissions identified from a sample size of 164,674 encounters; a subsample of 312 claims was randomly selected. AHCCCS manually compared the supporting information provided by the Contractor to the adjudicated encounters within PMMIS resulting in 9 omission errors, yielding an overall error rate of 0.34%.

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:

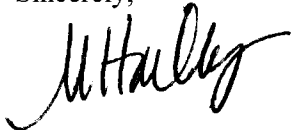
STUDY	Error Rate	Sanction
A Match Accuracy	0.00%	\$0.00
A Match Timeliness	0.00%	\$0.00
A NotEnc InCIm	0.08%	\$0.00
A InEnc NotCIm	0.06%	\$0.00
B Match Accuracy	0.65%	\$0.00
B Match Timeliness	0.65%	\$0.00
B NotEnc InCIm	1.37%	\$0.00
B InEnc NotCIm	0.34%	\$0.00

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 workpapers for each study will be uploaded to the SFTP at <https://sftp.statemedicaid.us/DDD/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