

November 23, 2016

Mr. Mark Fisher
Chief Executive Officer
Mercy Care Plan - LTC
4350 E. Cotton Center Blvd., Bldg D
Phoenix, AZ, 85040

Dear Mr. Fisher:

Attached are the final results of the Encounter Data Validation studies for Mercy Care Plan - LTC 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 3,234,146 encounter/claim matches identified from a sample size of 3,362,846 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 158,062 encounter/claim matches identified from a sample size of 161,924 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 3 accuracy errors and 6 timeliness errors, yielding an overall error rate of 1.96% for accuracy and 3.92% for timeliness.

For study "A" NotEnc InCIm, there were 128,700 possible omissions identified from a sample size of 3,362,846 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 262 omission errors, yielding an overall error rate of 3.16%. For study "B" NotEnc InCIm, there were 3,862 possible omissions identified from a sample size of 161,924 claims; a subsample of 296 claims was randomly selected. AHCCCS manually compared the supporting information provided by the Contractor to the adjudicated encounters within PMMIS resulting in 243 omission errors, yielding an overall error rate of 1.96%.

For study "A" InEnc NotCIm, there were 537,863 possible omissions identified from a sample size of 3,993,694 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 49 omission errors, yielding an overall error rate of 2.08%. For study "B" InEnc NotCIm, there were 170 possible omissions identified from a sample size of 163,741 encounters; a subsample of 119 claims was randomly selected. AHCCCS manually compared the supporting information provided by the Contractor to the adjudicated encounters within PMMIS resulting in 76 omission errors, yielding an overall error rate of 0.07%.

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	3.16%	\$0.00
A InEnc NotCIm	2.08%	\$0.00
B Match Accuracy	1.96%	\$0.00
B Match Timeliness	3.92%	\$0.00
B NotEnc InCIm	1.96%	\$0.00
B InEnc NotCIm	0.07%	\$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/MER/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