

November 23, 2016

Ms. Karla Mouw
Program Administrator/CEO
Comprehensive Medical and Dental Program
P.O Box 29202
Site Code CH019-18
Phoenix, AZ 85038-9202

Dear Ms. Mouw:

Attached are the final results of the Encounter Data Validation studies for CMDP for Contract Year Ending (CYE) 2013 and 2014. The review was conducted in accordance with Section D, paragraph 65 of the Contract 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 468,150 encounter/claim matches identified from a sample size of 519,079 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 42 accuracy errors and 3 timeliness errors, yielding an overall error rate of 27.45% for accuracy and 1.96% for timeliness. For study “B” Match, there were 25,439 encounter/claim matches identified from a sample size of 27,091 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 49 accuracy errors and 5 timeliness errors, yielding an overall error rate of 32.24% for accuracy and 3.29% for timeliness.

For study “A” NotEnc InCIm, there were 50,929 possible omissions identified from a sample size of 519,079 claims; a subsample of 316 claims was randomly selected. AHCCCS manually compared the supporting information provided by the Contractor to the adjudicated encounters within PMMIS resulting in 154 omission errors, yielding an overall error rate of 4.78%. For study “B” NotEnc InCIm, there were 1,652 possible omissions identified from a sample size of 27,091 claims; a subsample of 271 claims was randomly selected. AHCCCS manually compared the supporting information provided by the Contractor

to the adjudicated encounters within PMMIS resulting in 128 omission errors, yielding an overall error rate of 2.88%.

For study "A" InEnc NotCln, there were 1,627 possible omissions identified from a sample size of 482,714 encounters; a subsample of 270 claims was randomly selected. AHCCCS manually compared the supporting information provided by the Contractor to the adjudicated encounters within PMMIS resulting in 80 omission errors, yielding an overall error rate of 0.10%. For study "B" InEnc NotCln, there were 685 possible omissions identified from a sample size of 26,405 encounters; a subsample of 224 claims was randomly selected. AHCCCS manually compared the supporting information provided by the Contractor to the adjudicated encounters within PMMIS resulting in 1 omission error, yielding an overall error rate of 0.01%.

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	27.45%	\$144,260.76
A Match Timeliness	1.96%	\$0.00
A NotEnc InCln	4.78%	\$0.00
A InEnc NotCln	0.10%	\$0.00
B Match Accuracy	32.24%	\$11,168.10
B Match Timeliness	3.29%	\$0.00
B NotEnc InCln	2.88%	\$0.00
B InEnc NotCln	0.01%	\$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/CMDBP/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