

March 30, 2021

Ms. Karla Mouw  
DCS Assistant Director  
CMDP  
PO Box 29202, Site Code CH018-18  
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) 2018. The review was conducted in accordance with Section D, Paragraph 64 of Contract YH15-0001 and the Encounter Data Validation Technical Document. The review scope included two sections: study “A” for all professional services and study “B” for all facility services. The studies measured:

- Claims 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 InClm) – reviewed for omission.
- Encounters reported in PMMIS but not included in the Contractor’s claim submission (InEnc NotClm) – 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 275,842 encounter/claim matches identified from a sample size of 423,610 claims; a subsample of 150 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 0.67% for accuracy and 0.00% for timeliness. For study “B” Match, there were 12,630 encounter/claim matches identified from a sample size of 15,166 claims; a subsample of 150 was randomly selected. AHCCCS manually compared the supporting information provided by the Contractor to the adjudicated encounters within PMMIS resulting in 50 accuracy errors and 2 timeliness errors, yielding an overall error rate of 33.33% for accuracy and 1.33% for timeliness.

For study “A” NotEnc InClm, there were 147,768 possible omissions identified from a sample size of 423,610 claims; a subsample of 315 was randomly selected. AHCCCS manually compared the supporting information provided by the Contractor to the adjudicated encounters within PMMIS resulting in 117 omission errors, yielding an overall error rate of 12.96%. For study “B” NotEnc InClm, there were 2,536 possible omissions identified from a sample size of 15,166 claims; a subsample of 315 was randomly selected. AHCCCS manually compared the supporting information provided by the Contractor to the adjudicated encounters within PMMIS resulting in 306 omission errors, yielding an overall error rate of 16.24%.

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For study “A” InEnc NotClm, there were 4,629 possible omissions identified from a sample size of 287,340 encounters; a subsample of 315 was randomly selected. AHCCCS manually compared the supporting information provided by the Contractor to the adjudicated encounters within PMMIS resulting in 234 omission errors, yielding an overall error rate of 1.20%. For study “B” InEnc NotClm, there were 268 possible omissions identified from a sample size of 13,225 encounters; a subsample of 268 was randomly selected. AHCCCS manually compared the supporting information provided by the Contractor to the adjudicated encounters within PMMIS resulting in 190 omission errors, yielding an overall error rate of 1.44%.

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	0.67%	\$0.00
A Match Timeliness	0.00%	\$0.00
A NotEnc InClm	12.96%	\$21,834.87
A InEnc NotClm	1.20%	\$0.00
B Match Accuracy	33.33%	\$5,964.17
B Match Timeliness	1.33%	\$0.00
B NotEnc InClm	16.24%	\$1,384.99
B InEnc NotClm	1.44%	\$0.00

**AHCCCS has elected to waive the CYE15 Data Validation Audit Sanction.** Per the terms of the Contract, sanctions are not AHCCCS’ exclusive remedy. In particular and without limiting possible future actions, if any legal action is brought against AHCCCS as the result of your non-compliance with the Contract, AHCCCS will seek compensation from you for any damages arising from such legal action including, but not limited to, AHCCCS’ 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 Secured File Transfer Protocol (SFTP).

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 LaPorte (Mar 30, 2021 09:57 PDT)

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

C: Christina Quast, AHCCCS  
Lori Petre, AHCCCS