



**AHCCCS**

# **Program Integrity Reporting Guide**

## **Definition of Terms:**

**Claim edits:** This is a cost avoidance tool whereby rules or filters in the AHCCCS Contractor's claims payment system identifies elements/codes of claims that are incorrectly billed or may be overbilled. The system may adjust or deny claims in this process.

**Coordination of Benefits (COB):** Those claims for which another health or disability carrier, workers' compensation carrier, or a government payer such as Medicare or Veterans Administration has primary responsibility for payment of the claim. The AHCCCS Contractor generally identifies the existence of another payer's responsibility prior to payment and denies the claim until an explanation of benefits (EOB) is submitted indicating payment by the primary payer. The AHCCCS Contractor pays only the amount that has not been paid by the primary payer up to the amount that would be payable by the Contractor. At times another payer is identified after payment of the claim by the Contractor and the claim payment is recouped.

For the purposes of this report - only claims that the Contractor did not pay any amounts and did not previously encounter (whether identified pre or post claim payment) should be included in this category. Partially paid claims should not be included. The amount saved is calculated based upon either the allowable charges or a percent of billed charges between 27%-32% which is determined by the Contractor according to its analysis.

**Third Party Liability (TPL/Subrogation):** Those claims resulting from care for conditions resulting from an accident or occurrence which another person or entity (other than a health insurer or government health care program) has liability.

For example: Court ordered restitution payments, automobile or slip and fall accidents for which another person or entity is liable for causing some or all of the accident and therefore responsible for costs of medical care for the injured person.

TPL is always pay and chase, i.e., claims identified as having TPL are paid by the AHCCCS Contractor which will coordinate reimbursement (chase) from the liable party (and/or its insurer).

## **General Instructions:**

1. Each Program Integrity (PI) Report is dedicated to one line of business [ALTCS (EDPD or DD) or Acute]. The report(s), along with all attachments, should be sent to the Contractor's Financial Coordinator in the Division of Health Care Management (DHCM) via email on the 15th day of the second month following the quarter (approximately 45 days after the end of the quarter). If you should have any questions regarding the report or requirements, please contact your Financial Coordinator.

2. All reported amounts should be the actual amounts recovered/identified during the quarter being reported (not the quarter of the date of service etc.). Thus the quarter in which the claim is adjudicated (for COB, claim edits, and “other” category) or, in case of TPL, the date the monies are received, is the quarter in which the sums are included.
3. To calculate PM/PM, divide the amount reported in the category by the total of the actual Contractor membership (for the reported line of business) for the 3 months constituting the quarter. Membership should match the reported membership from the dashboard reports for the quarter.
4. Dental is included in all categories.
5. Pharmacy COB should be included by those Contractors that have access to that data and this should be indicated on Line I of the report. For Contractors that don’t include this data, please indicate a timeline for when that data may be included.
6. Reinsurance and other recoveries from AHCCCS should not be included; however, some plans have indicated that they were reported in previous reporting. If reinsurance and other recoveries are included, this should be indicated on Line J of the report.
7. For Contractors that are including reinsurance recoveries in their data, the box on chart indicating reinsurance is included should be checked.
8. Full billed charges should not be used to value claims. The actual savings, avoidance of cost, or recovery should be reported.

**Cost Avoidance / Savings / Recoveries Report Instructions:  
(See template at the end of this guide)**

Contractor's Name, Line of Business and Membership: As of the first day of the month, following the month for which data is reported, per AHCCCS website which can be found in the Oversight and Reporting section of the website under AHCCCS Population Statistics should be entered.

(<http://www.azahcccs.gov/reporting/enrollment/enrollment.aspx>)

- A. **TPL/Subrogation Dollars:** Identify claims where TPL was recovered or applied and calculate total dollar amount saved through application of TPL payments during the month (the difference between the total Contractor’s allowable amount of claims and the total Contractor's payments made net or any recovery or reimbursement).
- B. **TPL/Subrogation PM/PM:** The total dollar amount on line A divided by the sum of the three months of enrollment during the quarter reported.

- C. **COB Dollars:** Identify claims with COB that resulted in no payment by the plan and calculate the total dollar amount saved due to other payment coverage.
- D. **COB PM/PM:** The total dollar amount on line C divided by the sum of the three months of enrollment during the quarter reported.
- E. **Claim Edits Dollars:** The total amount of cost avoidance achieved on claims processed during the quarter, through system edits listed below:
1. Bundling (CCI)
  2. Unbundling (CCI)
  3. Medically unlikely edits (Cannot be billed together) (CCI)
  4. Age/Gender Edit (e.g. Diagnosis conflict with gender)
  5. Maximum Units (Exceeding Medical Necessity)
  6. Multiple procedure ranking and reduction
  7. Assistant Surgeon/Co-Surgeon; codes allowable and reduction
  8. Service to diagnosis code mismatch
  9. Invalid CPT, HCPCS, and modifier combination
  10. Global days
  11. Benefit limit
- F. **Claim Edits PM/PM:** The total dollar amount on line E divided by the sum of the three months of enrollment during the quarter reported.
- G. **Other Savings Dollars:** Total dollar amount recovered during the month for reasons and through mechanisms not previously discussed in the earlier sections of these instructions. Examples of situations or edits are:
1. AHCCCS cat/svc invalid
  2. AHCCCS cert. termed
  3. AHCCCS registration terminated
  4. Membership inactive
  5. No provider ID for location
  6. Non contracted provider
  7. Provider not registered with AHCCCS
  8. W-9 needed for payment
- H. **Other Savings PMPM:** The total dollar amount on line G divided by the sum of the three months of enrollment during the quarter reported.
- I. **Pharmacy COB Included:** Indicate Yes or No
- J. **Reinsurance Recoveries Included:** Indicate Yes or No

Template for the Cost Avoidance / Savings / Recoveries Report

<b>COST AVOIDANCE/SAVINGS/RECOVERIES REPORT</b>																																			
<b>Name of Contractor:</b>																																			
<b>Line of Business:</b>																																			
<b>Membership:</b>																																			
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">Line</th> <th style="width: 50%;">Item</th> <th style="width: 40%;">Quarterly results</th> </tr> </thead> <tbody> <tr> <td>A</td> <td>TPL/Subrogation Dollars</td> <td></td> </tr> <tr> <td>B</td> <td>TPL/Subrogation PMPM</td> <td></td> </tr> <tr> <td>C</td> <td>COB Dollars</td> <td></td> </tr> <tr> <td>D</td> <td>COB PMPM</td> <td></td> </tr> <tr> <td>E</td> <td>Claim Edits Dollars</td> <td></td> </tr> <tr> <td>F</td> <td>Claim Edits PMPM</td> <td></td> </tr> <tr> <td>G</td> <td>Other Savings Dollars</td> <td></td> </tr> <tr> <td>H</td> <td>Other Savings PMPM</td> <td></td> </tr> <tr> <td>I</td> <td>Pharmacy COB Included (Yes/No)</td> <td></td> </tr> <tr> <td>J</td> <td>Reinsurance Recoveries Included (Yes/No)</td> <td></td> </tr> </tbody> </table>	Line	Item	Quarterly results	A	TPL/Subrogation Dollars		B	TPL/Subrogation PMPM		C	COB Dollars		D	COB PMPM		E	Claim Edits Dollars		F	Claim Edits PMPM		G	Other Savings Dollars		H	Other Savings PMPM		I	Pharmacy COB Included (Yes/No)		J	Reinsurance Recoveries Included (Yes/No)		
Line	Item	Quarterly results																																	
A	TPL/Subrogation Dollars																																		
B	TPL/Subrogation PMPM																																		
C	COB Dollars																																		
D	COB PMPM																																		
E	Claim Edits Dollars																																		
F	Claim Edits PMPM																																		
G	Other Savings Dollars																																		
H	Other Savings PMPM																																		
I	Pharmacy COB Included (Yes/No)																																		
J	Reinsurance Recoveries Included (Yes/No)																																		
If Pharmacy COB is not included, estimated date when it can be included:																																			