Data Validation

Technical Document

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Introduction

The Centers for Medicare and Medicaid Services (CMS) requires the Arizona Health Care Cost Containment System (AHCCCS) to oversee and report on the utilization of medical services of AHCCCS's prepaid capitated Contractors. Contractors report service utilization on an encounter. An encounter is a record of a service rendered by a provider who is registered with AHCCCS to a recipient who is enrolled with an AHCCCS Contractor. Contractors are required to submit encounters to AHCCCS for all services.

CMS requires AHCCCS to submit progress reports on the encounter data collection process. AHCCCS must take appropriate action to correct deficiencies identified in the collection of encounter data and enforce financial penalties on Contractors that are not in compliance with data collection requirements.

AHCCCS' encounter collection actions are based on the results of encounter data validation studies. Collecting accurate, timely and complete encounters is a high priority for AHCCCS. Encounter data is used to support programmatic budget assumptions and in actuarial analyses to set capitation rate ranges. In addition, this data is used for AHCCCS Contractor Performance Measures and Performance Improvement Projects.

This document provides the Contractor with the methodology and statistical formulae used in Data Validation audit. These processes may change year to year and this document will be updated accordingly.

It is expected that all errors identified in any Data Validation audit will be corrected to ensure AHCCCS had complete and accurate encounter data.

Annual Data Validation Audit

On an annual basis, the AHCCCS Division of Health Care Services (DHCS) conducts the Annual Data Validation Audit. The purpose of this study is to compare recorded utilization information from claim or other source with the Contractor's submitted encounter data. Any covered services may be validated as part of this study.

Errors resulting from this study may fall into several categories defined as:

- Encounter Omission Errors - an encounter for a medical record entry of a service for which a Contractor incurred a financial liability but did not submit this data to AHCCCS. Or an encounter inappropriately voided from AHCCCS historical files and not resubmitted but still appearing as a paid claim for the Contractor is an omission. To avoid an omission error, there should be a paid/approved (31/78) encounter in PMMIS.

- Accuracy Errors - an inconsistency between the claim documentation and an encounter submitted in respect to member ID, Provider ID, NPI, procedure/revenue code(s), modifier(s), diagnosis code(s), date(s) of service, billed charges, units, coordination of benefits, etc.

- Timeliness Errors - an encounter received at AHCCCS beyond the allowable time period as defined in the contract.

- Omission from paid claim file – an encounter received by AHCCCS and in a paid/approved status but does not appear on the Contractor's paid claim file.

Annual Data Validation Audit Steps

Approximately 9 months after the end of a contract year, AHCCCS will request an extract of paid claims (including zero paid claims) from the Contractor's claims system. Once AHCCCS has received the paid claim files, encounter extract files are generated from the AHCCCS Data Warehouse.

AHCCCS will sort and compare the Contractor's paid claim file with AHCCCS' encounter extract file. Random sample files will be created for each of the study measures. The review scope will include two sections: Study "A" for all professional services and Study "B" for all facility services. The studies will measure:

- MATCH - Claims included in the Contractor's paid claim file and encountered in AHCCCS' Prepaid Medical Management Information System (PMMIS) – to be reviewed for accuracy and timeliness.

- NotENC InCLM - Claims included in the Contractor's paid claim file but not encountered in PMMIS – to be reviewed for encounter omission.

- InENC NotCLM - Encounters reported in PMMIS but not included in the Contractor's paid claim file – to be reviewed for omission from the paid claim file.

Once the samples have been determined, the Contractor will be notified. For each record identified on the MATCH samples, the Contractor will be required to submit a copy the claim (or EDI) submitted by the provider, along with any other pertinent information such as, primary insurance EOB, proof of timely encounter submission, etc. For each record identified on the NotENC InCLM sample, the Contractor will provide an explanation as to the reason the encounter was not submitted to AHCCCS, or, if the Contractor did submit the encounter, provide the CRN. For each record identified on the InENC NotCLM sample, the Contractor will provide an explanation as to the reason the claim was not reported on the paid claim file, or, if it was included in the file, give a detailed description of where to find it on the file such as a line/row number.   The Contractor will return all documentation to the SFTP server (Other/DHCM/IN).

Once the Contractor's response is received, AHCCCS will review the documentation against the encounter data in PMMIS. Preliminary findings will be reported back to the Contractor. The Contractor will have approximately 30 days to challenge the preliminary findings. Once all challenges have been considered, a final report will be generated and sent to the Contractor. Sanctions are applied based on the final report.

Sanctions

Sanction Calculation

The sanction amount by Contractor is calculated by applying the sanction formula:

$S = P \times ((R - A) \times NAdj),$ where:
S = sanction amount,
P = per-error sanction amount,
R = estimated/calculated error type rate,
A = allowable error rate of 5%, and
$NAdj$ = total number of encounters for each error type

$NAdj = Ntot*R,$ where:
$NTot$ = total number of encounters submitted by form type

All calculations are separated by form type A (professional) and B (facility).

The per-error base sanction amounts are:

ERROR TYPE	PER ERROR SANCTION AMOUNT
Omission	$5.00
Accuracy	$5.00
Untimely	$5.00

Response Documentation Guidelines

In order to properly submit the claims file extract to AHCCCS, these guidelines must be followed:

Acceptable form submission files examples:

1. Number each file submission to match the Row on the excel spreadsheet.
2. One folder or document to match the spreadsheet which holds all the documentation for that row.

      <u>**Examples of folder or document name**</u>

      02. A12345678 (which represents the row number and member's AHCCCS ID#

         Or

      02. 190971234567001 (which represents the row number and CRN)

3. Do this for each row on the spreadsheet.
4. DO NOT insert links into the sample spreadsheet.
5. DO NOT create a single WORD or pdf document containing supporting information for the entire spreadsheet.
6. Zip all the individual files/documents into one single zip file and upload to AHCCCS server under the Contractor and the "Other/DHCM/IN" path.

Focused Audits

At its discretion, AHCCCS may conduct focused audits. Here are a couple of examples.

Override/Void Logs

The Contractor is required to maintain logs for all overridden or voided encounters. Those logs are submitted quarterly pursuant to the Encounter Manual. AHCCCS will conduct periodic focused audit of the logs. The purpose of the audit is to ensure the override/void was an appropriate action.

From the information provided on the logs, AHCCCS will select a file sample. The file sample will be forwarded to the Contractor with a request for the documentation used to override or void the encounter.   The Contractor will follow the Response Documentation Guidelines above to support each override or void. AHCCCS will review the documentation for appropriateness and return the findings to the Contractor.

Override Log Audit

Provide all documentation that supports the reason for the override of the encounter – including any guidelines, Medical Director approval, policy, etc.

If replaced with another CRN, please include updated CRN information.

Return the spreadsheet in same format as sent to you – you may add an additional column at the end to provide additional comments.

See Response Documentation Guidelines above.

Upload all documentation and spreadsheet on SFTP server, placed in "Other/DHCM/IN" folder.

Void Log Audit

Provide all documentation that supports the reason the encounter was voided.

Return spreadsheet in same format as sent to you – you may add an additional column at the end to provide additional comments.

See Response Documentation Guidelines above.

Upload all documentation and spreadsheet on SFTP server, placed in "Other/DHCM/IN" folder.