From: Lori Petre [mailto:lori.petre@azahcccs.gov]
Sent: Wednesday, May 1, 2019 2:48 PM
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Cc: Aker, Gina; Quast, Christina
Subject: Important Reminders Appropriate Use of the Denied/Zero Paid Encounters Files

We have recently seen a lot of miss and inappropriate use of the AHCCCS Denied/Zero Paid Encounters Files, and are issuing this email as a reminder of the appropriate and inappropriate uses of this type of Encounter submission file.

We will also be reviewing current language in the AHCCCS Encounter User Manual to for opportunities to strengthen or and add clarifications regarding this type of file.

Please ensure that you are using this type of file appropriately. Failure to report Encounter data correctly impacts numerous downstream processes and results in costly and time consuming efforts to correct issues when they are identified. And failure to report Encounter data appropriately may result in corrective actions up to and including sanctions.

Please let us know if you have any questions and/or if you'd like to discuss any specific situations further. Thank you in advance for your attention.

https://www.azahcccs.gov/PlansProviders/Downloads/Encounters/Manual/Chapter3.pdf
V. CONTRACTOR ADMINISTRATIVE DENIALS/ZERO PAYMENT ENCOUNTER SUBMISSIONS

As previously stated, before an encounter is submitted to AHCCCS, a service must have been completed and the provider's claim or encounter must be finalized Paid, Denied for Administrative reasons, or Zero Medicaid Payment by the Contractor.

AHCCCS requires Contractor Administratively Denied and Zero Medicaid Payment (except for transplants) 837P, 837I, and 837D encounters to be submitted in separate files from paid encounters.

Contractor Administrative Denials encounters are defined as Contractor adjudicated claims that have been denied or non-covered in full for only specific types of administratively related reasons. Denials for administrative reasons represent those claims which are for valid Medicaid covered services provided to eligible members, by enrolled and eligible providers that were denied by Contractors for administrative issues such as:

- *Failure of the provider to obtain a required Prior Authorization (PA)*
- *Untimely submission of the claim to the Contractor*
- *Provider billed units are in excess of Medicaid service benefit limits*
- *Provider's failure to supply required claims supporting documentation*

If there is a question about whether or not a particular denial situation meets the administrative definition please contact the AHCCCS Encounter Unit for confirmation.

Zero Medicaid Payment encounters are encounters for which the Contractor did not deny the claim, but paid zero (removed language for clarification, to date AHCCCS has not defined any other applicable uses for this designation) due to a primary payment and no pass or no secondary payment was made under Medicaid, etc.

The zero paid designation should not be used for any situations where services are not paid due to bundled payment arrangements (such as FQHC); services are not paid as they fall under a subcapitated arrangement of any type (including "Block purchase", "Case Rates", etc.).

Denied/Zero Medicaid Payment 837 files must have the input mode of '6' in Loop 1000A NM109, value of 'AHCCCSDENIED' in GS03 (per current companion document) and add the extension of '.deny' to the file name.

NCPDP Administratively Denied/Zero Payment encounter reporting file specifications are in progress and will be published as soon as possible. These files will undergo limited validator syntax editing and, when they pass validation, will be moved to the mainframe as a denied/zero payment file. These claims will have an encounter status code of 43 = adjudicated/denied by Plan. Files that fail validation must be corrected or resubmitted.