

April 24, 2015

Mr. Scott Cummings
Chief Administrative Officer
Care1st
2355 E Camelback, Ste 300
Phoenix, AZ 85016

Dear Mr. Cummings:

Attached are the final results of the Encounter Data Validation studies for Care1st for Contract Year Ending (CYE) 2012. 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 821,607 encounter/claim matches identified from a sample size of 834,298 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 1 accuracy error and 0 timeliness errors, yielding an overall error rate of 0.65% for accuracy and 0.00% for timeliness. For study "B" Match, there were 61,082 encounter/claim matches identified from a sample size of 62,385 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 1 accuracy error and 0 timeliness errors, yielding an overall error rate of 0.66% for accuracy and 0.00% for timeliness.

For study "A" NotEnc InCIm, there were 12,691 possible omissions identified from a sample size of 834,298 claims; a subsample of 310 claims was randomly selected. AHCCCS manually compared the supporting information provided by the Contractor to the adjudicated encounters within PMMIS resulting in 0 omission errors, yielding an overall error rate of 0.00%. For study "B" NotEnc InCIm, there were 1,303 possible omissions identified from a sample size of 62,385 claims; a subsample of 261 claims was randomly selected. AHCCCS manually compared the supporting information provided by the Contractor to the adjudicated encounters within PMMIS resulting in 0 omission errors, yielding an overall error rate of 0.00%.

For study "A" InEnc NotCIm, there were 7,388 possible omissions identified from a sample size of 891,404 encounters; a subsample of 306 claims was randomly selected. AHCCCS manually compared the supporting information provided by the Contractor to the adjudicated encounters within PMMIS resulting in 0 omission errors, yielding an overall error rate of 0.00%. For study "B" InEnc NotCIm, there were 859 possible omissions identified from a sample size of 62,406 encounters; a subsample of 238 claims was randomly selected. AHCCCS manually compared the supporting information provided by the Contractor to the adjudicated encounters within PMMIS resulting in 4 omission errors, yielding an overall error rate of 0.02%.

For each study, if the error rate falls below the acceptable rate of 5%, no sanction will be applied. The InEnc NotCIm study was strictly informational – no sanction will be applied. The Contractor's error rates and sanction amounts, if applicable, for each study are as follows:

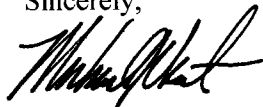
STUDY	Error Rate	Sanction
A Match Accuracy	0.65%	n/a
A Match Timeliness	0.00%	n/a
A NotEnc InCIm	0.00%	n/a
A InEnc NotCIm	0.00%	n/a
B Match Accuracy	0.66%	n/a
B Match Timeliness	0.00%	n/a
B NotEnc InCIm	0.00%	n/a
B InEnc NotCIm	0.02%	n/a

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/CRF/OTHER/DHCM/OUT/>.

Thank you for your assistance with this Center 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,



Michael Veit
Contracts & Purchasing, Administrator
Division of Business and Finance

C: Lori Petre, AHCCCS
Gina Aker, AHCCCS
DHCM/DA&R File