

April 24, 2015

Mr. Cory Nelson
Deputy Director
ADHS/DBHS
150 N 18th Ave, Ste 200
Phoenix, AZ 85007

Dear Mr. Nelson:

Attached are the final results of the Encounter Data Validation studies for ADHS/DBHS 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 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.

CENPATICO

As a reminder, the Contractor chose to not challenge the preliminary findings for A NotEnc InClm. The preliminary results have become final for this study.

For study “A” Match, there were 1,213,689 encounter/claim matches identified from a sample size of 1,218,280 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 0 accuracy errors and 0 timeliness errors, yielding an overall error rate of 0.00% for accuracy and 0.00% for timeliness. For study “B” Match, there were 1,229 encounter/claim matches identified from a sample size of 1,230 claims; a subsample of 138 was randomly selected. AHCCCS manually compared the supporting information provided by the Contractor to the adjudicated encounters within PMMIS resulting in 0 accuracy errors and 12 timeliness errors, yielding an overall error rate of 0.00% for accuracy and 8.70% for timeliness.

For study “A” NotEnc InClm, there were 4,591 possible omissions identified from a sample size of 1,218,280 claims; a subsample of 299 claims was randomly selected. AHCCCS manually compared the supporting information provided by the Contractor to the adjudicated encounters within PMMIS resulting in 6 omission errors, yielding an overall error rate of 0.01%. For study “B” NotEnc InClm, there was 1

possible omission identified from a sample size of 1,230 claims; a subsample of 1 claim 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 NotClm, there were 2,388 possible omissions identified from a sample size of 1,216,077 encounters; a subsample of 284 claims was randomly selected. AHCCCS manually compared the supporting information provided by the Contractor to the adjudicated encounters within PMMIS resulting in 24 omission errors, yielding an overall error rate of 0.02%. For study “B” InEnc NotClm, there were 3 possible omissions identified from a sample size of 1,232 encounters; a subsample of 3 claims was randomly selected. AHCCCS manually compared the supporting information provided by the Contractor to the adjudicated encounters within PMMIS resulting in 3 omission errors, yielding an overall error rate of 0.24%.

For each study, if the error rate falls below the acceptable rate of 5%, no sanction will be applied. The InEnc NotClm 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 | 0.00% | n/a |
| A Match Timeliness | 0.00% | n/a |
| A NotEnc InClm | 0.01% | n/a |
| A InEnc NotClm | 0.02% | n/a |
| B Match Accuracy | 0.00% | n/a |
| B Match Timeliness | 8.70% | \$ 7.90 |
| B NotEnc InClm | 0.00% | n/a |
| B InEnc NotClm | 0.24% | n/a |

CPSA

As a reminder, the Contractor chose to not challenge the preliminary findings for A InEnc NotClm and B InEnc NotClm. The preliminary results have become final for these studies.

For study “A” Match, there were 1,506,660 encounter/claim matches identified from a sample size of 1,519,782 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 0 accuracy errors and 9 timeliness errors, yielding an overall error rate of 0.00% for accuracy and 5.88% for timeliness. For study “B” Match, there were 2,120 encounter/claim matches identified from a sample size of 2,132 claims; a subsample of 143 was randomly selected. AHCCCS manually compared the supporting information provided by the Contractor to the adjudicated encounters within PMMIS resulting in 0 accuracy errors and 25 timeliness errors, yielding an overall error rate of 0.00% for accuracy and 17.48% for timeliness.

For study “A” NotEnc InClm, there were 13,122 possible omissions identified from a sample size of 1,519,782 claims; a subsample of 195 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 InClm, there were 12 possible omissions identified from a sample size of 2,132 claims; a subsample of 10 claims was randomly selected. AHCCCS manually compared the supporting information provided by the Contractor to the adjudicated encounters within PMMIS resulting in 9 omission errors, yielding an overall error rate of 0.51%.

For study “A” InEnc NotCIm, there were 17,581 possible omissions identified from a sample size of 1,524,241 encounters; a subsample of 312 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 545 possible omissions identified from a sample size of 2,665 encounters; a subsample of 208 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 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 | 0.00% | n/a |
| A Match Timeliness | 5.88% | \$ 1,564.01 |
| A NotEnc InCIm | 0.00% | n/a |
| A InEnc NotCIm | 0.00% | n/a |
| B Match Accuracy | 0.00% | n/a |
| B Match Timeliness | 17.48% | \$ 92.53 |
| B NotEnc InCIm | 0.51% | n/a |
| B InEnc NotCIm | 0.00% | n/a |

MAGELLAN

For study “A” Match, there were 5,268,827 encounter/claim matches identified from a sample size of 6,195,368 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 0, accuracy errors and 0 timeliness errors, yielding an overall error rate of 0.00% for accuracy and 0.00% for timeliness. For study “B” Match, there were 15,810 encounter/claim matches identified from a sample size of 15,876 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 17 accuracy errors and 8 timeliness errors, yielding an overall error rate of 11.18% for accuracy and 5.26% for timeliness.

For study “A” NotEnc InCIm, there were 926,541 possible omissions identified from a sample size of 6,195,368 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 66 possible omissions identified from a sample size of 15,876 claims; a subsample of 59 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 922,985 possible omissions identified from a sample size of 6,191,812 encounters; a subsample of 318 claims was randomly selected. AHCCCS manually compared the supporting information provided by the Contractor to the adjudicated encounters within PMMIS resulting in 10 omission errors, yielding an overall error rate of 0.47%. For study “B” InEnc NotCIm, there were 67 possible omissions identified from a sample size of 15,877 encounters; a subsample of 61 claims was randomly selected. AHCCCS manually compared the supporting information provided by the Contractor to the adjudicated encounters within PMMIS resulting in 54 omission errors, yielding an overall error rate of 0.37%.

For each study, if the error rate falls below the acceptable rate of 5%, no sanction will be applied. The InEnc NotCln 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 | 0.00% | n/a |
| A Match Timeliness | 0.00% | n/a |
| A NotEnc InCln | 0.00% | n/a |
| A InEnc NotCln | 0.47% | n/a |
| B Match Accuracy | 11.18% | \$ 546.75 |
| B Match Timeliness | 5.26% | \$ 4.38 |
| B NotEnc InCln | 0.00% | n/a |
| B InEnc NotCln | 0.37% | n/a |

NARBHA

As a reminder, the Contractor chose to not challenge the preliminary findings for A Match and B NotEnc InCln. The preliminary results have become final for these studies.

For study “A” Match, there were 784,365 encounter/claim matches identified from a sample size of 860,517 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 0 accuracy errors and 0 timeliness errors, yielding an overall error rate of 0.00% for accuracy and 0.00% for timeliness. For study “B” Match, there were 2,438 encounter/claim matches identified from a sample size of 2,462 claims; a subsample of 144 was randomly selected. AHCCCS manually compared the supporting information provided by the Contractor to the adjudicated encounters within PMMIS resulting in 2 accuracy errors and 5 timeliness errors, yielding an overall error rate of 1.39% for accuracy and 3.47% for timeliness.

For study “A” NotEnc InCln, there were 76,152 possible omissions identified from a sample size of 860,517 claims; a subsample of 317 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 InCln, there were 24 possible omissions identified from a sample size of 2,462 claims; a subsample of 24 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 NotCln, there were 76,530 possible omissions identified from a sample size of 860,895 encounters; a subsample of 317 claims was randomly selected. AHCCCS manually compared the supporting information provided by the Contractor to the adjudicated encounters within PMMIS resulting in 15 omission errors, yielding an overall error rate of 0.42%. For study “B” InEnc NotCln, there were 64 possible omissions identified from a sample size of 2,502 encounters; a subsample of 58 claims was randomly selected. AHCCCS manually compared the supporting information provided by the Contractor to the adjudicated encounters within PMMIS resulting in 47 omission errors, yielding an overall error rate of 2.07%.

For each study, if the error rate falls below the acceptable rate of 5%, no sanction will be applied. The InEnc NotCln 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 | 0.00% | n/a |
| A Match Timeliness | 0.00% | n/a |
| A NotEnc InClm | 0.00% | n/a |
| A InEnc NotClm | 0.42% | n/a |
| B Match Accuracy | 1.39% | n/a |
| B Match Timeliness | 3.47% | n/a |
| B NotEnc InClm | 0.00% | n/a |
| B InEnc NotClm | 2.07% | 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/BHS/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

