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I. INTRODUCTION

The Encounter Manual is a reference guide for Contractors outlining the methods for submission and correction of encounter data as required by the Arizona Health Care Cost Containment System (AHCCCS). The manual contains chapters addressing encounter submission, file specifications, pending encounter correction requirements, and other encounter-related subjects.

II. ENCOUNTER REPORTING REQUIREMENTS

Contractors are required to submit encounters for all valid Medicaid-covered services. Including encounters that fall into the following categories:

- Paid,
- Contractor denials for administrative reasons (as defined by AHCCCS), and
- Zero Medicaid payment due to full reimbursement by another payer or bundling of services.

Contractors shall submit all lines of a claim as a single encounter, thereby matching the structure of the claim to its resulting encounter.

AHCCCS utilizes national industry standards and code sets published by the Accredited Standards Committee (X12N), the National Council for Prescription Drug Programs (NCPDP), and other data standard maintenance organizations for encounter reporting. The 837 and NCPDP technical reports, AHCCCS Companion Documents (see XI. Standardized File Layouts), and the shared provider/reference files specify encounter reporting requirements that Contractors must follow to comply with contractual requirements. These documents are posted or referenced on the AHCCCS website and may be downloaded at no charge. A quick link reference list is also provided in Chapter 7 of this manual.

III. PURPOSE OF ENCOUNTER DATA COLLECTION

Submission of encounter data to AHCCCS is a mandatory requirement established by the Centers for Medicare/Medicaid Services (CMS). It is the responsibility of Contractors according to their contract with AHCCCS. Complete, accurate, and timely reporting of encounter data is critical to the success of the AHCCCS program. All AHCCCS encounter data is housed in an encounter database that maintains Contractor specific designation. Encounter data is used for a variety of managerial and analytical purposes including but not limited to:

- Evaluate health care quality:
    - AHCCCS is a Medicaid managed care demonstration project that is partially funded by CMS. The health care service utilization data is analyzed and used by CMS and AHCCCS to evaluate quality of care.

- Evaluate Contractor performance:
    - Data from encounter records provides AHCCCS with information to evaluate each Contractor's performance. For example, encounters are used to track specific services provided to members while enrolled with a particular Contractor, such as immunizations administered to children up to 24 months of age, and to calculate whether Contractors are meeting the minimum performance standards required by AHCCCS. Failure to meet these standards will result in corrective action plans and may lead to related sanctions.
- Develop and evaluate capitation rates:
    - Data used in developing capitation rate assumptions are based on encounter data submitted by Contractors. Encounter data is used by AHCCCS and its actuaries to calculate capitation rate ranges. In addition, encounter data is summarized, compiled, and distributed to prospective offerors to assist them in the calculation of their capitation bids.
- Develop Fee-For-Service (FFS) payment rates:
    - Encounter data is used in conjunction with FFS claims data and other information to establish FFS provider payment rates.
- Determine Disproportionate Share (DSH) payments to hospitals:
    - Encounter data is used in the calculation of DSH payment allocations to hospitals.
- Determine Reinsurance risk-sharing payments to Contractors:
    - Encounter data is used as the basis for reinsurance payments.
- Process reconciliations and risk adjustments:
    - Encounter data is used in the calculation of reconciliations and risk adjustments associated with benefit and program reimbursement. Accurate calculation of these important Contractor revenue sources is solely based on the complete and timely submission of encounter data by the individual Contractors.

IV. GENERAL PRINCIPLES

Contractors must ensure that submitted encounters are consistent with the following general principles:

- Contractor-specific identifiers as outlined by AHCCCS are required for all encounter submissions.
- AHCCCS must cover the reported service according to Section D, Program Requirements of the Contractor's AHCCCS agreement and as further defined by the AHCCCS Medical Policy Manual (AMPM).
- The member must be AHCCCS eligible and enrolled in a Contractor on the date of service.
- The service provider must be actively registered with AHCCCS on the date of service and be approved to provide the specific coded services on that date of service.
- The service must have been completed. The provider's claim or encounter must be finalized as paid, administratively denied, or zero Medicaid payment by Contractors before submitting an encounter to AHCCCS.

- The AHCCCS Medicaid Program is the payor of last resort. Medicare and other third-party payment must be accounted for before submitting the encounter. Medicare and third-party payment amounts must be entered on the encounter within the appropriate fields. In cases where a member has exhausted Medicare or another payer does not cover other benefits or the service provided, the only fields necessary to populate are the Medicare or other insurance-approved and paid amounts using a value of zero (0).
- If Contractors make a post-payment/denial revision to a provider's claim after it has been encountered to AHCCCS, Contractors must resubmit an appropriate replacement or void the encounter to AHCCCS.

The AHCCCS contract year begins on October 1 and is used as the basis for reinsurance payment calculations. For specific Reinsurance requirements, refer to the AHCCCS Reinsurance Manual located at https://azahcccs.gov/PlansProviders/HealthPlans/Reinsurance.

V. ENCOUNTER REPORTING DEADLINES

Contractors must submit encounter data within 210 days of the end of the month of service or the date of enrollment, whichever is later. Encounters submitted after this period may be subject to timeliness sanctions, as described in the contract.

AHCCCS defines the receipt date for encounters as the date the encounter is loaded to the mainframe database awaiting mainframe adjudication processing. To reach this point, encounter files must successfully pass the AHCCCS validation and translation process. An encounter that fails validation remains in the validator awaiting correction or resubmission (refer to the Companion Guides for acknowledgment reporting). If an entire file fails this process, notification to the Contractor is placed in the Contractor's outgoing directory on the AHCCCS Managed File Transfer (MFT) server. The encounters with a validator error or contained on failed files are not considered received. In these situations, the receipt date of the encounter data does not begin until the data has been successfully loaded to the mainframe for adjudication processing.

When a Contractor's contract with AHCCCS ends, the Contractor has 18 months from the end of contract date to clear all pending encounters. AHCCCS will administratively deny any remaining encounters on the 18th month, 1 day following the end of the contract.

VI. ENCOUNTER FORMATS AND CLAIM FORM TYPES

AHCCCS accepts four (4) types of encounter formats. Each format corresponds to a claim form type standard:

- 837Professional (Form A=1500 claim) Encounters:
  - Used primarily for professional services (i.e., all Healthcare Common Procedure Coding System [HCPCS] Level I [0XXXX-99999] and Level II [AXXXX-VXXXX], excluding dental services). These services include but are not limited to physician visits, nursing visits, surgical services, anesthesia services, free-standing ambulatory surgical centers (ASC), laboratory tests, radiology services, home and community-based services (HCBS), therapy services, durable medical equipment (DME), medical supplies, and transportation services.
- 837Dental (Form D=ADA claim) Encounters:

- Used for dental services (i.e., HCPCS Level II codes beginning with DXXXX).

- 837Institutional (Form B=UB04 claim) Encounters:
  - Used for institutional facility-based services, such as inpatient or outpatient hospital services, dialysis centers, hospice, birthing centers, nursing facility services, and other institutional services.
- NCPD (Form C) Encounters:
  - For retail pharmacy services, such as prescription medicines and medically necessary over-the-counter items.

NOTE: Form type is determined based upon the reported type of bill (bill type code). Institutional encounters are further subdivided into three (3) additional form types for encounter editing purposes:

- Form type "I" for inpatient hospital services,
- Form type "O" for outpatient hospital services, and
- Form type "L" for long-term care facility service.

VII. PROVIDER REGISTRATION AND PROVIDER TYPE TO FORM TYPE REQUIREMENTS

CMS requires that AHCCCS Medicaid funds only be used to reimburse AHCCCS registered providers. Encounters submitted for dates of service for which the provider is non-active or non-registered will be denied by AHCCCS. The AHCCCS registration requirements are explained on the AHCCCS website at www.azahcccs.gov/PlansProviders/NewProviders/registration.html. Registered providers are assigned a unique AHCCCS registration number in the Pre-paid Medicaid Management Information System (PMMIS).

Provider types are AHCCCS-defined categories for providers or facilities based on the types of services they render. A provider/facility can have only one provider type per AHCCCS provider registration number. Provider types include hospitals, dentists, physical therapists, etc. Provider-type codes are listed in the weekly Provider Share Info reference files provided on the MFT server for Contractors. Provider Type Code P5 Record (RF612) www.azahcccs.gov/Resources/Downloads/Contractor/Tables/ProfileLayoutTable.pdf. The AHCCCS assigned provider type code for a specific provider registration number can be found in provider reference files. See the Demographic P1 Record in the Technical Interface Guide (TIG) at www.azahcccs.gov/Resources/Downloads/Contractor/Tables/ProviderLayoutTable.pdf.

AHCCCS requires Contractors to use a specific encounter form type depending on the service provider's Provider Type. Services rendered by any registered provider type must be encountered to AHCCCS using the appropriate electronic transaction corresponding to the required form type. AHCCCS produces Provider Share Info reference files containing all registered providers, including their assigned provider type. Descriptions and formats for these Provider Share Info reference files are included in Chapter 5 of this manual.

VIII. SERVICE UNIT GUIDELINES

Based on generally accepted and reasonable medical standards of care, AHCCCS employs service unit guidelines for all services. These guidelines assign maximum units for given timeframes (e.g., daily). Encounters submitted with units that exceed the guidelines, the encounters will pend for validation of medical necessity and, if applicable, override. Refer to Chapter 4 for a description of this process.

IX. TRANSPLANT ENCOUNTERS

Contractors must follow special rules to submit encounters for covered transplant services. Refer to the AHCCCS Medical Policy Manual (AMPM) for a list of covered transplant services and the Reinsurance Processing Manual for covered services under the Transplant Reinsurance Program. AHCCCS has negotiated specialty contracts with providers for transplant services Contractors may or may not choose to use.

X. REINSURANCE FORM TYPES

Submission requirements by form type are as follows:

- 837I (Form B) Encounters:
  - All contracted transplant services provided by the facility, including accommodation days, organ acquisition, and related inpatient or outpatient hospital services as submitted on the UB form using the proper revenue codes, procedure codes, and bill types. Services must be itemized as they would be on non-transplant encounters and should not include physician or other non-hospital services.
- 837P (Form A) Encounters:
  - All physician and other professional services provided as part of the transplant contract, including transportation and medical supplies, as submitted on the 1500 form using the proper CPT and HCPCS procedure codes. Services must be itemized as they would be on any non-transplant encounter.
- NCPDP (Form C) Encounters:
  - Any prescription drugs dispensed by an independent pharmacy covered under the transplant contract as submitted on a Universal Form.

XI. STANDARDIZED FILE LAYOUTS

Record layouts for each of the four (4) form type files (837P Form 1500, 837D Dental, 837I Form UB, and NCPDP Pharmacy) and the status files returned by AHCCCS (277U – Unsolicited Status) may be found in the following X12N Technical Report or NCPDP Implementation Guide:

- The X12N technical reports are available from the Washington Publishing Company at www.wpc-edi.com (subscription required).
- The NCPDP implementation guide is available from the National Council for Prescription Drug Programs at www.ncpdp.org.

- The AHCCCS Companion Documents delineate AHCCCS specific and situational requirements, provide supplemental information for encounter reporting and are available on the AHCCCS website at www.azahcccs.gov/Resources/EDI/EDITechnicalDocuments.html.

XII. ACCURATELY REPORTING ENCOUNTER DATA

Coordination of Benefits:

One goal of the technical reports is to "develop the capability of handling coordination of benefits (COB) in a totally electronic data interchange (EDI) environment." AHCCCS utilizes the Provider-to-Payer-to-Payer COB Model identified in the technical reports. AHCCCS is the designated destination payer. Other payers, including AHCCCS Contractors, report payer-specific data in other payer loops as outlined in technical documents.

Information concerning reporting and an explanation of COB is in the technical reports AHCCCS encounters and edited against AHCCCS PMMIS Third-Party Liability (TPL)/COB records. Encounters that should have COB, as indicated by the member's TPL records, will be denied at AHCCCS and be returned for required COB information. If a Contractor determines that the AHCCCS Member's PMMIS TPL records are in error or need to be updated, the Contractor should submit TPL referral information as required by the contract. This information may be submitted by using either the AHCCCS TPL referral file submission process at www.azahcccs.gov/Resources/Contractor/Manuals/TIG/ or online using the AHCCCS contracted TPL vendor's TPL Referral Web Portal at www.azahcccs.gov/PlansProviders/HealthPlans/tpl.html.

National Correct Coding Initiative:

An explanation of reporting bundled and unbundled services is also provided in the technical reports. AHCCCS employs the National Correct Coding Initiative (NCCI) in encounter adjudication processing. Inappropriate application of NCCI bundling and unbundling standards may result in encounters pends.

Claim to Encounter Accuracy:

The submitted encounter (i.e., post-adjudicated claim) should be a mirror image of the provider's claim and how the Contractor processed the claim. Data must not be stripped or altered from the provider's submitted claim simply because it is not a necessary data element for AHCCCS encounter processing. Contractors should always submit all relevant and defined adjudicated claims data elements.

Additional data must be reported when situations identified in the technical specifications are met. In addition, reporting other specified data elements may aid in processing encounter data or in bypassing certain encounter edits (e.g., submission of Contractors' prior approval/authorization or certification number may bypass certain medical review type edits). Simple encounter examples can be found in the 837 and NCPDP AHCCCS Encounter Companion Documents at www.azahcccs.gov/Resources/EDI/.

Encounter Processing Outcomes:

The Status File (277U) is produced after the AHCCCS edits and audits to inform Contractors of the encounter file processing outcome. The 277U file consists of information that indicates all:

- Encounters finalized during processing, and
- Pended encounters following processing.