AHCCCS
Arizona Health Care Cost Containment System

Douglas A. Ducey, Governor
Thomas J. Betlach, Director

April 24, 2015

Mr. Rodd Mas
Chief Executive Officer
CMDP
4000 N Central Ave, Ste 2200
Phoenix, AZ 85012

Dear Mr. Mas:

Attached are the final results of the Encounter Data Validation studies for CMDP 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.

For study "A" Match, there were 195,168 encounter/claim matches identified from a sample size of 215,231 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 1 timeliness error, yielding an overall error rate of .065% for accuracy and .065% for timeliness. For study "B" Match, there were 12,526 encounter/claim matches identified from a sample size of 14,692 claims; a subsample of 151 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 0 timeliness errors, yielding an overall error rate of 1.32% for accuracy and 0.00% for timeliness.

For study "A" NotEnc InClm, there were 20,063 possible omissions identified from a sample size of 215,231 claims; a subsample of 294 claims was randomly selected. AHCCCS manually compared the supporting information provided by the Contractor to the adjudicated encounters within PMMIS resulting in 36 omission errors, yielding an overall error rate of 1.14%. For study "B" NotEnc InClm, there were 2,166 possible omissions identified from a sample size of 14,692 claims; a subsample of 281 claims was randomly selected. AHCCCS manually compared the supporting information provided by the Contractor to the adjudicated encounters within PMMIS resulting in 20 omission errors, yielding an overall error rate of 1.05%.

For study "A" InEnc NotClm, there were 5,384 possible omissions identified from a sample size of 201,271 encounters; a subsample of 301 claims was randomly selected. AHCCCS manually compared the supporting information provided by the Contractor to the adjudicated encounters within PMMIS resulting in 30 omission errors, yielding an overall error rate of 0.27%. For study "B" InEnc NotClm, there were 195 possible omissions identified from a sample size of 12,738 encounters; a subsample of 129 claims was randomly selected. AHCCCS manually compared the supporting information provided by the Contractor to the adjudicated encounters within PMMIS resulting in 129 omission errors, yielding an overall error rate of 1.53%.

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	0.65%	n/a
A Match Timeliness	0.65%	n/a
A NotEnc InClm	1.14%	n/a
A InEnc NotClm	0.27%	n/a
B Match Accuracy	1.32%	n/a
B Match Timeliness	0.00%	n/a
B NotEnc InClm	1.05%	n/a
B InEnc NotClm	1.53%	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/CMDP/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,
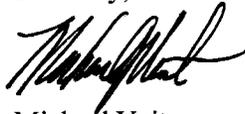
Michael Veit
Contracts & Purchasing, Administrator
Division of Business and Finance

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