

# Missouri Encounter Data Triennial Audit: Summary of Results

August 5, 2021

## Introduction

The 2016 Medicaid and Children's Health Insurance Program Managed Care Final Rule (42 § CFR 438.602(e)) requires state Medicaid programs to conduct an encounter data audit once every three years. The purpose of this regulation is to ensure high quality encounter data for capitation rate development, risk adjustment, program monitoring/oversight, and other data analytic needs. In order to comply with this requirement, the State of Missouri (State) MO HealthNet Division (MHD) contracted with Mercer Government Human Services Consulting (Mercer), as part of Mercer Health & Benefits LLC, to conduct an audit on the MO HealthNet managed care program. An overview of the encounter data audit methodology and the results are provided below.

## Methodology Overview

Mercer's audit methodology leveraged the Centers for Medicare & Medicaid Services (CMS) External Quality Review (EQR) Protocol 5 for encounter data validation (EDV)<sup>1</sup>. The table below outlines the five activities included in EQR Protocol 5, the key tasks that Mercer completed as part of each activity, and the timeframes during with the work was conducted.

**Table 1.0: CMS EDV Protocol Activity with Mercer Tasks and Timeframes**

CMS EDV Protocol Activity	Mercer Tasks	Timeframes
Activity 1: Review State Encounter Data Requirements	<ul style="list-style-type: none"><li>Review Missouri's encounter data regulations and MHD's data specifications</li><li>Review health plan (HP) encounter data contractual requirements</li><li>Review MHD's completed request for information and conduct clarification interviews</li></ul>	January 2021–March 2021

---

<sup>1</sup> <https://www.medicaid.gov/medicaid/quality-of-care/downloads/2019-eqr-protocols.pdf>

CMS EDV Protocol Activity	Mercer Tasks	Timeframes
Activity 2: Review HP Encounter Data Capability	<ul style="list-style-type: none"> <li>Review each HP's most recent Information Systems Capabilities Assessment reports</li> <li>Review each HP's encounter data questionnaire responses and conduct clarification interviews</li> </ul>	November 2020–March 2021
Activity 3: Analyze Electronic Encounter Data	<ul style="list-style-type: none"> <li>Conduct macro- and micro-analyses of encounter data specific to calendar year (CY) 2019</li> </ul>	November 2020–April 2021
Activity 4: Medical Record Review (at each state's discretion) <sup>2</sup>	<ul style="list-style-type: none"> <li>Not applicable for this audit</li> </ul>	Not applicable for this audit
Activity 5: Submit Findings	<ul style="list-style-type: none"> <li>Draft report to outline methodology, summarize observations, and make recommendations</li> </ul>	March 2021–June 2021

## Results

The key results from Activities 1-3 are summarized below.

### Activity 1: Review State Encounter Data Requirements

With regards to enhancing MHD's encounter data management practices, Mercer recognizes and applauds the concerted effort MHD has made in recent years to work collaboratively with the HPs to improve the quality of the encounter data. Even though MHD does not have any staff entirely dedicated to encounter data monitoring, MHD staff with other job responsibilities have implemented various encounter data reporting, monitoring, and oversight mechanisms. Recognizing that encounter data quality is a continuous journey and not a destination, Mercer recommends the following opportunities for improvement:

- MHD should consider making certain encounter data language clarifications to the HP contract, as well as the Health Plan Record Layout or EDI Companion Guide, to increase clarity of requirements. MHD should also consider opportunities to improve the readability of their encounter submission guidelines and begin conducting regular document review and update processes to ensure the information is current and accurate.
- Beyond the monthly 98% acceptance rate metric in the HP contract, MHD should evaluate other opportunities to hold the HPs accountable for submitting complete, accurate, and timely encounters (e.g., encounter data

---

<sup>2</sup> Given the number of encounter data observations outlined in this report and the anticipated need for MHD and the HPs to make changes, MHD plans to include Activity 4 as part of a future triennial audit once these issues have been addressed.

completion thresholds for varying timeframes, comparison of encounter data paid amounts to financial paid amounts).

- In reviewing MHD's encounter data documentation and artifacts, it appears that the Medicaid Management Information System (MMIS) edits may benefit from ongoing evaluation to ensure that all the edit descriptions provide sufficient information to allow HPs to diagnose and resolve encounter rejections.
- MHD does not currently have staff dedicated solely to the oversight and management of HP encounter data. To best position MHD going forward, we recommend MHD consider hiring one to two full-time equivalent positions dedicated to HP encounter data oversight and monitoring.
- As CMS enhances its guidance and expectations for states regarding their encounter submissions to the Transformed Medicaid Statistical Information System (T-MSIS), MHD in turn should adopt the guidance to ensure that the HPs adhere to CMS requirements.

## Activity 2: Review HP Encounter Data Capability

Mercer found that Home State Health (Home State), Missouri Care, and UnitedHealthcare Community Plan (UCP) all generally maintain reasonable encounter staffing levels, utilize appropriate encounter submission practices, and actively update and maintain appropriate reconciliation and oversight tools. Mercer believes there are some areas for improvement for select HPs related to tracking encounter rejections and reducing error resolution timeframes, minimizing overall encounter rejections levels, and increasing oversight of vendor encounters.

### Home State

Home State is a wholly-owned subsidiary of Centene Corporation (Centene). Home State's encounter data operations and systems are managed at the Centene corporate enterprise level. Overall, the collaboration between the local HP encounter staff, the finance department, and Centene's information technology and encounters teams seems appropriate for ensuring quality encounter submissions.

Home State does not ingest their vendor encounter data files (e.g., Envolve Dental, Envolve Vision, Envolve Behavioral Health, and Medical Transportation Management [MTM]). Instead, Home State essentially acts as a pass-through for this data and then sends the MMIS response files back to the vendors to review and address any issues.

For purposes of encounter data oversight and monitoring, Home State utilizes an encounter data reconciliation process where they regularly compare the dollars reported in their Health Plan Financial Reporting Form (HPFRF) lag triangles to dollars associated with MMIS-accepted encounters. Home State is generally seeing high levels of completeness (97.0% or above), where completeness is defined as accepted encounter dollars divided by HPFRF lag triangle dollars. Regarding oversight of their vendor encounter data, Home State holds meetings with vendors on a weekly or bi-weekly basis to discuss status and troubleshoot issues.

While Home State currently utilizes a variety of best practices throughout their encounter data processes, Mercer recommends Home State consider the following to further drive overall encounter data completeness and accuracy:

- Perform root cause analysis of the temporary hold encounters and compare findings to the original claims to determine if provider billing issues can be mitigated through improved provider education and/or enhancements to claims processing logic.
- Because Home State manages vendor encounters as a pass-through, there is a lack of full visibility into the vendor encounter submission process and timeliness of error correction. Home State's oversight of vendor encounters could be improved if they ingested these encounters and monitored the trends in errors and error correction timeframes. At a minimum, Home State should enhance their oversight reporting of vendor encounters in some manner so the process does not mainly rely on the vendor's self-reported data.

## Missouri Care

Although Missouri Care was historically owned by Wellcare, they were acquired by Centene effective January 23, 2020. As part of the terms of the acquisition, Centene sold the Wellcare Missouri Medicaid business to Anthem, Inc. (Anthem). On January 1, 2021, Anthem officially changed the HP name from Missouri Care to Healthy Blue. This audit focused on Missouri Care's 2019 encounter data during the period in which they were managed by Wellcare.

Missouri Care's encounter data operations and systems were managed at the Wellcare corporate level with support also provided by the local HP. Wellcare's encounter team was responsible for various roles including processing encounters, fixing encounter rejections, analyzing data, responding to adhoc State or market encounter requests, and preparing the Global Remediation Report to track encounter completion rates. Wellcare's national ancillary team provided support for monitoring vendor encounter data accuracy and completeness.

Wellcare has comprehensive end-to-end reporting in place to provide visibility into encounter data issues and support monitoring processes. Historically, the HP has seen high levels of completeness (97.5% or above) defined as accepted encounter dollars divided by actual financial paid dollars.

For purposes of vendor oversight, Wellcare generates various reports that are reviewed by HP staff to monitor vendor activity, track timeliness of encounter corrections, and identify potential vendor education needs. The HP holds monthly Joint Operation Committee meetings with each vendor to review the Scorecard report, discuss encounter rejections, and determine any corrections or process changes that may be needed. Despite these oversight mechanisms, the 2019 DentaQuest acceptance rate and the 2020 acceptance rates across all vendors were somewhat lower than the 98.5% acceptance rate seen for non-vendor encounters.

Missouri Care's historical encounter data process utilized a variety of best practices. As the encounter data role is transitioned from Wellcare to Anthem, Mercer recommends that:

- Anthem form and utilize a HP Steering Committee to ensure that Healthy Blue's encounter data quality and completeness remain strong given the change in encounter data platforms and internal processes.
- Anthem's encounter oversight processes include various encounter reconciliation analyses and a comparison of financial paid amounts to paid amounts on accepted encounters.
- A vendor-specific encounter data oversight component is included in Anthem's process to help drive vendor encounter data accuracy, completeness, and timeliness.

- Anthem work closely with MHD over the coming months and reach out proactively to ensure the transition in encounter data platforms and submission processes goes smoothly.

## UCP

UCP is a subsidiary of United Healthcare. UCP's encounter data operations and systems are managed at the United Healthcare enterprise level. Additional staff members within the enterprise are cross-trained to provide additional support, where needed. Local HP staff also assist with components of the encounter data process.

UCP monitoring and oversight mechanisms include a monthly report that tracks encounter acceptance rates and a monthly financial completeness report that tracks paid amounts across all claim types, including vendor data. There are also separate processes in place to compare paid claims data from financial databases (data used to populate the HPFRF) to the claims platform data and the encounter data. In addition, UCP maintains weekly encounter submission timeliness reports to identify any aging claim types that require attention to ensure timely submission. Based on the HP's records, they achieved a 98.4% completeness rate during CY 2019 (defined as paid amounts on MMIS-accepted encounters divided by claims system paid amounts).

UCP utilizes a vendor relationship owner (VRO) for governance and oversight purposes, and the VRO works collaboratively with various other staff to monitor vendor performance. Vendor oversight reports include financial completeness, encounter submission trends, and encounter submission timeliness. The VRO holds regular Joint Oversight Committee meetings with each vendor and reviews performance scorecards. In addition, UCP requires vendors to submit monthly operational reports that show the number of encounters adjudicated by month and paid dollars by month, along with a comparison to vendor encounter file record counts and dollars.

Overall, UCP has appropriate encounter data processes in place, and the collaboration amongst departments is beneficial. Even with these strong operational and technical processes, UCP can further drive encounter data completeness and quality by:

- Continuing to maintain the Joint Oversight Committee's utilization of internal and vendor-provided performance reporting to ensure complete, accurate, and timely vendor encounter submissions.
- Continuing to consider additional strategies to further mitigate future encounter rejections by identifying the root cause of rejections, making configuration changes to the claims system, and/or performing provider education on proper billing practices.

## Activity 3: Analyze Electronic Encounter Data

The following provides a high-level summary of results and recommended next steps from the macro- and micro-analytics. The macro-analytics focused on comparing MHD's VEND encounter data to the HP-submitted encounter data, while the micro-analytics included a review of relationships across data fields and benchmarking against other data sources.

### Macro-Analytics

In general, the VEND encounter data fields reviewed were frequently populated on close to 100% of the encounter records. For fields populated less than 100% of the time, there was generally a reasonable explanation for why that was the case. Furthermore, all values submitted had a very high validity rate of at least 99.9%, with most fields having 100% validity.

Mercer assessed the record-level data completeness to identify the magnitude of missing and surplus records by comparing the records in the VEND data to the HP-submitted data. The percentage of records that appeared in both the VEND data and the HP-submitted data varied by claim type and ranged from 92.1% for institutional to 100% for transportation and vision. The overall missing record rates were very low (0.1% or below) for all encounter types (institutional, professional, dental, transportation, and vision), while the overall surplus record rates showed high variability and fluctuated from 0% for transportation and vision to 7.9% for institutional encounters.

In addition to record completeness, Mercer measured data element completeness. This was done by reviewing encounters present in both data sources and determining if select fields were populated in both data sources. Overall, the level of completeness for key data elements was generally high with a few exceptions related to the following fields: diagnosis fields above position 5, modifier fields, and HP paid date. Data element surplus rates were also generally low, but similar to above, there were a few exceptions to this related to the procedure code field, the secondary through fifth diagnosis positions and first and last date of service fields.

For those encounters present in both data sources and for which select data fields were populated, Mercer determined data element-level accuracy by comparing the values in the fields of both data sources to determine if they matched. While the overall accuracy rates varied by claim type and HP, several of the fields analyzed had a high accuracy level. The primary modifier field in the VEND data showed roughly 85%-95% accuracy (varied by claim type) when compared to the HP-submitted files, but the VEND data for the other modifier fields (modifiers 2 and 3) showed lower accuracy rates compared to the Home State and UCP files. These modifier results were researched in more detail, and an explanation is provided in subsequent paragraphs.

When compared to the HP-submitted files, the VEND units showed accuracy rates ranging from 93% to 100%. The overall accuracy rates for the VEND HP Paid Amounts for institutional and professional encounters were about 96%. Accuracy rates were lower for dental, vision, and transportation claim types, but it appears this may be linked to subcapitated services.

## **Micro-Analytics**

In addition to the macro-analysis, Mercer performed micro-analysis and benchmarking against other data sources. The micro-analysis focused on relationships across VEND data fields, as well as a more detailed review of certain VEND issues uncovered by the macro-analysis.

There were some instances where the date of payment was prior to the date of service. The frequency was extremely low, but nevertheless, MHD and Missouri Care should consider adding edits to their systems to prospectively reject encounters that meet this criteria.

On a monthly basis during 2019, the number of VEND inpatient encounters per member was generally consistent. The monthly values for outpatient and professional encounters were much more variable, with a low point in October and a high point in June. This seasonal pattern was consistent across all three HPs and was similar to patterns observed in prior years.

As mentioned previously, the macro-analysis results showed that for some claim types, Missouri Care and Home State had low accuracy rates in the VEND diagnosis fields beyond primary diagnosis. To research this further, Mercer conducted additional analysis to determine if HPs were shifting diagnosis positions as part of their 837 file development and submission process. A multi-step process was followed by comparing the five diagnoses in the VEND data to all of the available diagnoses within the HP-submitted data. In general, many of the VEND diagnosis codes were found in other diagnosis positions within the HP-submitted data.

Similar to the diagnosis code analysis, Mercer looked at any modifier fields where the values did not align between data sources and searched for the VEND modifier in a different position within the HP-submitted files (i.e., match found in another position). Mercer observed that a large portion of VEND modifiers were present in the HP-submitted file in a different modifier position. Based on discussions with MHD, this observation was expected given the manner in which the MMIS processes and edits encounters. While there were some VEND modifiers that never appeared in the HP-submitted files, this did not occur very often.

To assess VEND encounter data completeness within the HP paid amount field, Mercer summarized the HP paid amounts from the VEND encounter data and compared them to the paid amounts reported by each HP in the MHD HPFRFs. Based on the point in time in which this data was extracted, the CY 2019 VEND encounter dollars were about 5% lower than the HPFRF dollars, with the VEND data for UCP being closest to the HPFRF reported values. There are some known reasons for these discrepancies including: differences in how paid amounts for subcapitated arrangements are reported in encounters and the HPFRF; MHD MMIS rejections of encounters greater than two years old and encounters for value-added services that are reported in the HPFRF; and an issue with the MMIS system attempting to calculate a HP paid amount in certain situations where the HP does not appropriately submit the encounter in accordance with MHD specifications (MHD has already initiated work to update the MMIS to reject these types of encounters in the future).

### **Recommended Next Steps Resulting from Analytics**

Mercer recommends that MHD conduct additional research into the following areas and determine if process or requirement changes are needed going forward to drive VEND encounter data completeness and accuracy.

- To the extent that MHD's system could be enhanced to collect and maintain all 25 diagnosis fields for institutional encounters and 12 diagnosis fields for professional encounters, this would result in more robust encounter. MHD has looked into this in the past, and the level of effort would be significant.
- Due to some observed differences in how HPs are reporting encounter paid amounts for sub-capitated arrangements, Mercer recommends that MHD explore each HP's practices further to understand the different approaches currently being used, assess whether there are inconsistencies across HPs, and then decide if the current MHD guidance around subcapitated encounters should be modified.
- Additional research should be performed on the significant percentage of surplus records to determine why encounter records were present in VEND but not in the HP files. To the extent this was due to the HPs inadvertently omitting certain encounters when developing the files requested by Mercer or by timing differences between the VEND and HP data extracts, this is likely not a material concern.
- When compared to the HP-submitted files, the VEND unit and HP paid amount fields on encounter records showed 4%-7% inaccuracy. Drivers behind these inaccuracies should be researched and resolved given the importance of these fields.
- In terms of the comparison of the date of service and date of payment fields, there were some instances where the date of payment was prior to the date of service. The frequency was extremely low, but nevertheless, we recommend that MHD and Missouri Care add edits to their systems to prospectively reject encounters that meet this criteria.