



Medicaid Encounter Data – Status Update

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Encounter Data

- Encounter data are electronic records of covered services provided to the enrollees of a health plan.
 - Encounter data are only collected for services reimbursed by capitation payments.
- An encounter record captures the interaction between a patient and provider (i.e. health plan, physician, pharmacy, hospital, laboratory, transportation, home health services, etc.) who delivers services or is professionally responsible for services delivered to a patient
- Encounter data document the patient's diagnosis and all of the services rendered to the patient during the visit
- Services provided and reimbursed through the fee-for-service system (including MediPass and PSNs) are captured in the claims payment system and counted separately

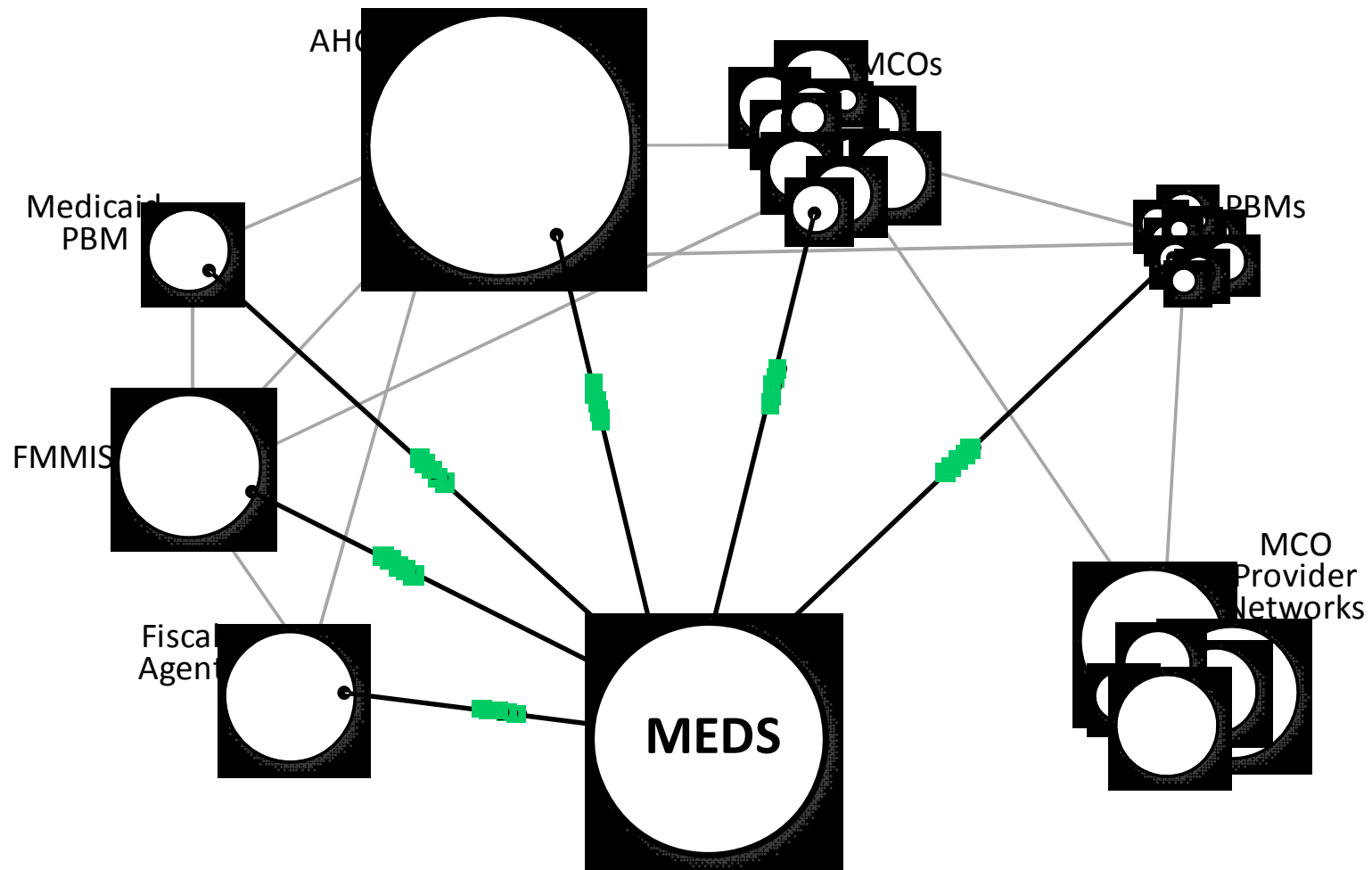
Compared to Fee-for-Service

- Encounter data are comparable to fee-for-service (FFS) claims data.
 - Florida Medicaid pays contracted managed care organizations (MCOs) a monthly per-enrollee amount (capitation payment) at the beginning of each month
 - MCOs employ or subcontract with primary care physicians and other provider types to deliver health services to recipients
 - Medicaid MCOs are required by contract to collect encounter data from their providers, and by Federal regulation to certify accuracy and completeness of all data submitted
 - MCOs must include the encounter data collection requirement in their contracts with network providers

Medicaid Encounter Data System

- **Florida's Medicaid Encounter Data System (MEDS)** is the statewide operation of collecting and validating encounter data and storing it in a centralized location for program use
 - “System” does not mean hardware and software but describes the interconnection between the Agency and the Medicaid MCOs
 - MEDS consists of the Agency, each of the Medicaid MCOs, each of the MCO network providers rendering covered services, the Medicaid fiscal agent, the Medicaid pharmacy benefits manager (PBM), and the Florida Medicaid Management Information System (FMMIS)

Medicaid Encounter Data System



Encounter Data Format

- In compliance with federal requirements, MEDS requires MCOs to submit encounter data electronically and in HIPAA-compliant format
 - HIPAA is a national standard that strictly defines the data elements, file structure, and format for health care claims
- Prior to MEDS, Medicaid MCOs were not required to submit HIPAA-compliant information to the Agency on services provided to recipients

Historical Data Submission

- The Agency notified all health plans in May 2009 that encounter data submission would begin in July 2009 for both historical and current day encounter data.
- Medical services encounter data submissions began July 9, 2009.
- Pharmacy services encounter data submissions started August 14, 2009.
- Historical data has been submitted for services provided during the following periods:
 - Non-Reform: July 1, 2008 through June 30, 2009 (12 months historical)
 - Reform: January 1, 2007 through June 30, 2009 (30 months historical)
 - Pharmacy (non-reform and reform plans): July 1, 2008 through June 30, 2009 (12 months historical)
- All historical encounter data were due to AHCA in FMMIS by October 31, 2009.

Submission Status

- System processing for the encounter claims submitted by the October 31, 2009 deadline continued through November 2009
 - 23 Plans submitting encounter data.
 - Plans required to submitted letter certifying accuracy and completeness of their encounter data.
- Plans continued to remediate and submit additional historical encounter data through December 2009
- MCOs are now submitting their ongoing (current day) encounter data beginning with the July 1, 2009 paid dates
 - All but one MCO is submitting current day encounter data as required by their Medicaid contracts.

System Processing

- MCOs submit their encounter claims to FMMIS in the same way Medicaid providers submit their fee-for-service (FFS) claims to FMMIS
- Encounter claims are processing successfully in the system and moving to claims history.
- To date, the Agency has received and processed **over 20 million** encounter claims (medical services and pharmacy) from capitated MCOs statewide. Multiple services can be reported in a single encounter.
 - 17 Florida Medicaid HMOs
 - 5 Florida Medicaid Provider Service Networks (PSNs report encounter data for capitated services only. Remaining services are captured through the FFS claims payment system)
 - 1 Florida Prepaid Dental Plan

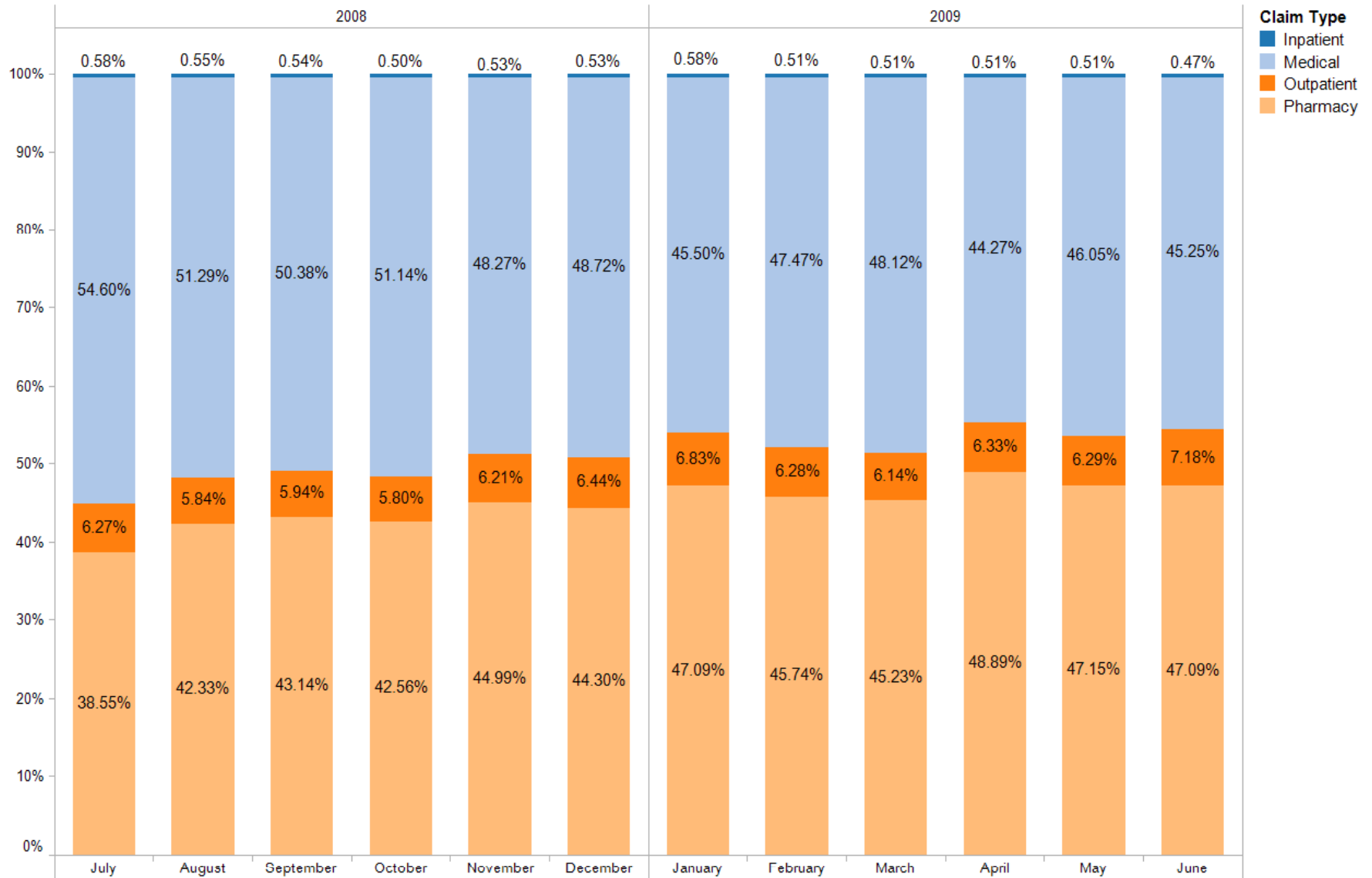
System Edits

- During processing, encounter claims must successfully pass several editing steps in order to be accepted by FMMIS
 - Medicaid MCO contracts require that 95% of the encounter claims submitted pass system edits; remediation is required for posted errors that exceed 5%
- Encounter claims are stored in claims history and are then available for Agency use
- Edits help keep “bad” data out of the system (i.e., duplicates, unknown recipients, invalid diagnosis or procedure codes, etc.) and/or identify encounter claims that must be corrected and resubmitted by the MCOs
 - Encounters posting certain edits are not allowed into the system. The failure rate for these edits is currently less than 3%.
- FMMIS edits encourage clean data; validation occurs through other processes outside the system

Data Validation

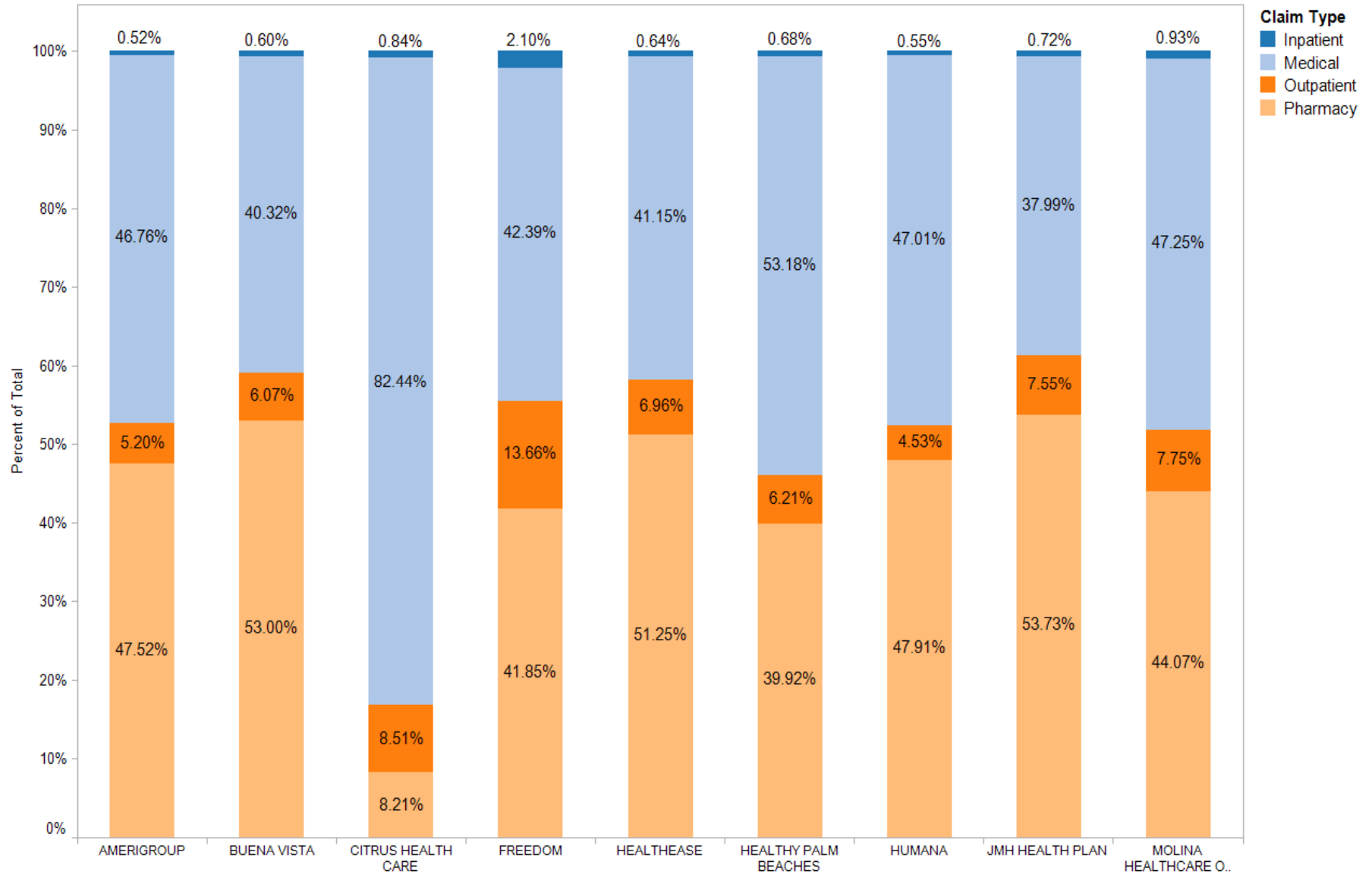
- Encounter data are self-reported by the MCOs and represent services for which the State has already paid
 - A comprehensive back-end validation system is crucial for identifying statistical anomalies and evaluating data integrity and reasonableness
- Data that are not validated can be used for some activities; other uses will require data to be fully validated
- Encounter data must be assessed for completeness and accuracy before they are used to make management or policy decisions
 - The quality and completeness of the self-reported data will contribute to the length of time needed for validation

**Encounter Claim Types
July 2008 through June 2009**



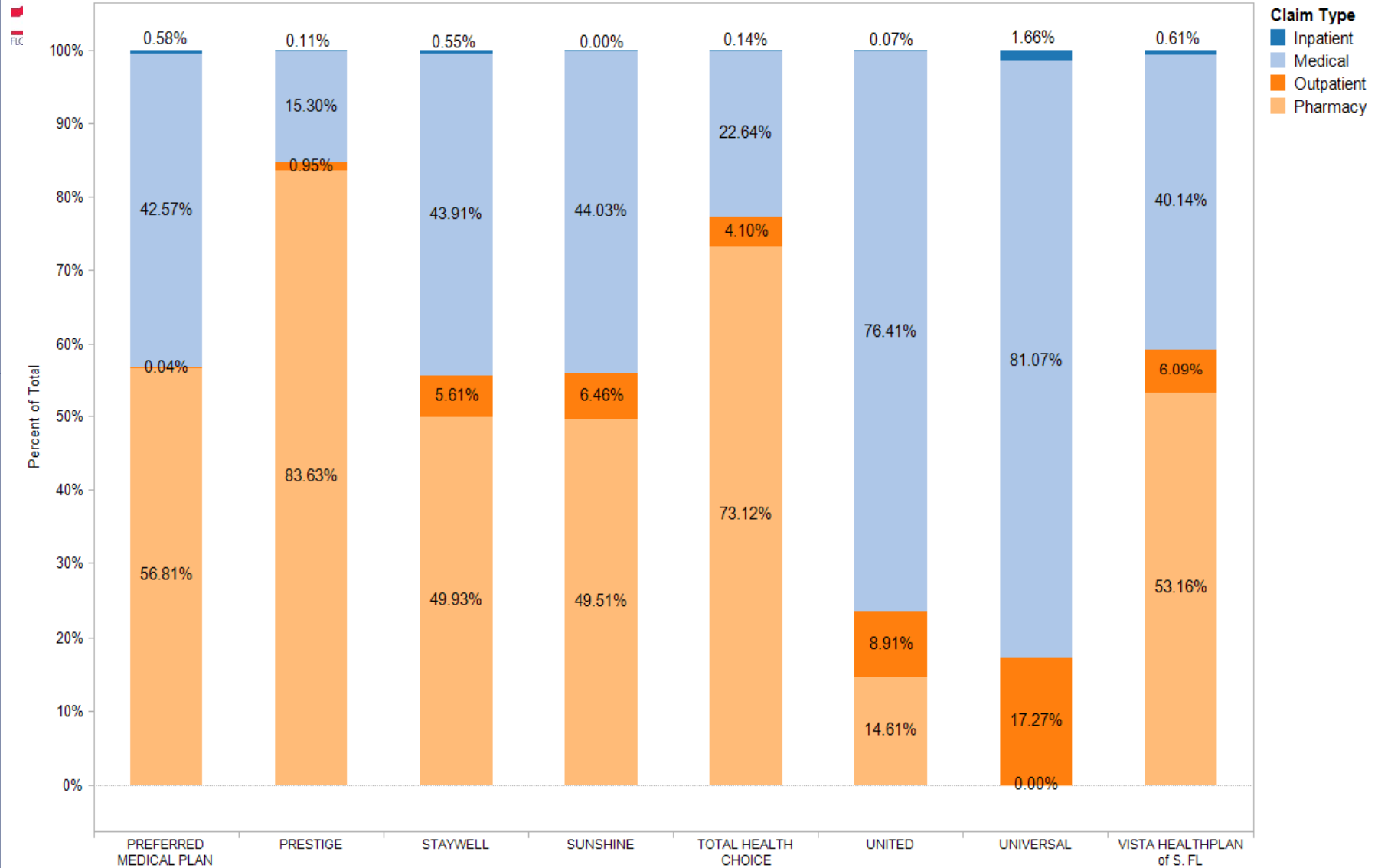
This is a preliminary analysis based on unverified data and is subject to specific assumptions.

Encounter Claim Type Distribution
July 2008 - June 2009



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Encounter Claim Type Distribution July 2008 - June 2009



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MEDS Data Usage Progression

Data Unverified & Un-validated

Data Uses

- Capitation rate setting for SFY 2010 - 11*
- Compare pharmacy encounter data to risk adjustment submissions*
 - Submission volume
 - Risk scores in MedRx model
- Track initial adult PCP visit within 90 days of MCO enrollment *
- Verify MCO provider networks and services Provided*
- Analyze MCO enrollment, encounter volume, and encounters per recipient (PM/PM)*
- Send EOMBs to managed care recipients
- Review completeness – At least 95% of submissions contain complete information
- Review accuracy – At least 95% submissions are accepted by FMMIS

Data Partially Verified/Validated

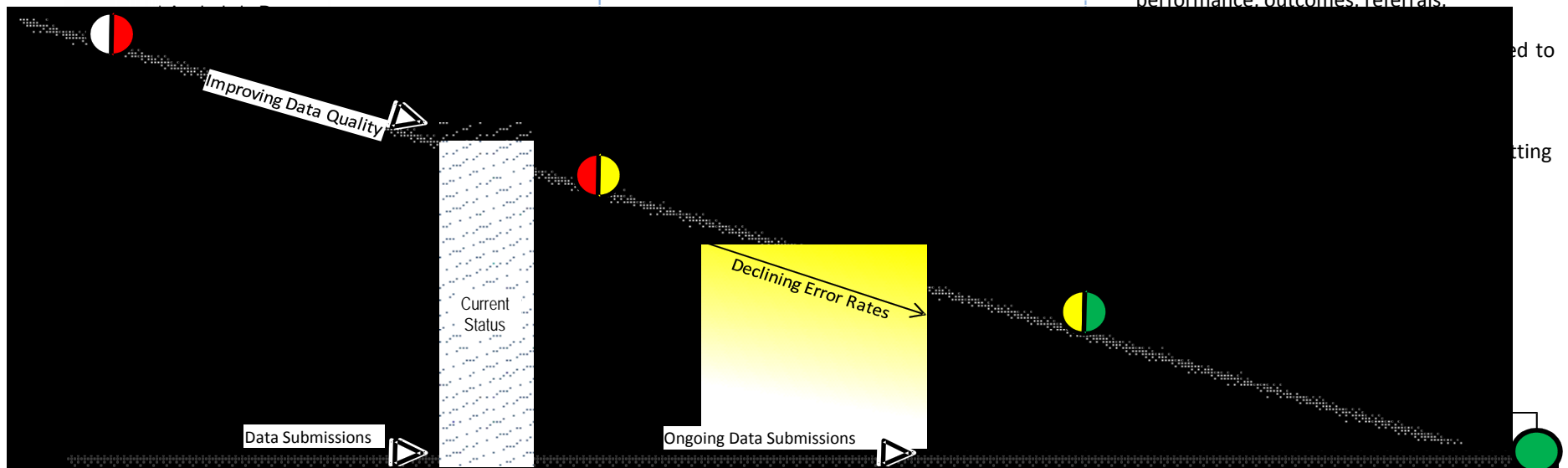
Data Uses

- Analyze/compare encounter claims to FFS
 - Encounter PMPM per recipient
 - FFS claims to encounter ratio
 - Comparisons MCO to MCO and to other states
- Transition to pharmacy encounter data in MedRx model for risk adjustment
- Test CDPS model for risk adjustment
- Analyze data integrity:
 - Referential integrity
 - Review FMMIS edits on encounters
 - Rejections -distribution/types
 - Correctable errors -distribution/types
 - Relationship between diagnoses and procedures

Data Fully Verified/Validated

Data Uses

- Analysis over time:
 - Overall volume by file/claim type
 - Volume per recipient
 - Service utilization
 - Completeness analysis of key data elements
- Verify MCO compliance with contract requirements
- Compare preventive services provided to audited HEDIS measures
- Identify recipients with chronic illnesses based on HEDIS guidelines
- Analyze specialty services provided by plans by areas of the State
- Support electronic health record
- Support managedcare fraud and abuse prevention such as:
 - Comparative analyses of MCO utilization, performance, outcomes, referrals,



Future Analyses in Progress

- Analyses will supplement and support data collected through performance measures, EPSDT reporting, behavioral health utilization reporting, etc.
- Disease Management conditions by delivery model (comparative analysis MediPass/ HMO Reform/HMO Non-Reform/PSN-Reform)
- Inpatient hospitalization, re-hospitalizations, avoidable hospitalizations
- Contract compliance measures (i.e., initial visit within 90 days, etc.)

Encounter Data in Rate Setting

- The Agency is performing initial testing and analysis of the FY 2008-09 encounter data for use as a contributing data source for the FY 2010-11 capitated managed care rates
- The plan is to use encounter data in setting capitation rates effective September 2010; however, the percentage is dependent upon encounter data actuarial soundness when compared to FFS data
- Goal is to use the source(s) that provide the best prediction of capitated MCO costs for FY 2010-11
- Ideally, encounter data should be used in conjunction with MCO financial data and FFS data to predict MCO costs—per Managed Care Workgroup report
 - Encounter data tell us the services provided and help the MCOs better manage their recipients

Prevention and Detection Programs

- Effective managed care fraud and abuse prevention and detection programs should consist of the following:
 - Formal plans
 - Coordination activities
 - Prevention strategies
 - Detection strategies
 - Enforcement strategies

Detection Using Encounter Data

- Encounter data are one tool used to detect MCO fraud and abuse
- Use of encounter data is dependent upon the accuracy and validity of the data elements needed for fraud and abuse pattern detection:
 - Service provider and recipient identifiers
 - Procedure codes
 - Product and service descriptions
 - Provider payment on capitated vs. FFS basis
- Encounter data validation is proceeding steadily; however, sufficiently validated data are not available for all detection / prevention activities



Questions?