Section 8.1 Encounter Validation Studies

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8.1.1 Introduction

The Centers for Medicare and Medicaid Services (CMS) requires the Arizona Health Care Cost Containment System (AHCCCS) to conduct encounter validation studies as a condition for receiving Federal Medicaid funding. The Arizona Department of Health Services/Division of Behavioral Health Services (ADHS/DBHS) requires the Regional Behavioral Health Authorities (RBHAs) to conduct encounter validation studies of their providers. For guidelines on the RBHA encounter data validation process, see the Office of Program Support Operations and Procedures Manual.

The purpose of encounter validation studies is to compare recorded utilization information from a clinical record or other source with submitted encounter data. The review "validates" or confirms that covered services are encountered timely, correctly and completely.

The purpose of this section is to:

- Inform providers that encounter validation studies may be performed by AHCCCS, RBHAs and/or ADHS/DBHS staff; and
- Convey ADHS/DBHS' expectation that providers cooperate fully with any encounter validation review that AHCCCS, the RBHAs and/or ADHS/DBHS may conduct.

8.1.2 Procedures

8.1.2-A. Criteria used in encounter validation studies

The criteria include timeliness, correctness, and omission of encounters, in addition to encountering for services not documented in the medical record. These criteria are defined as follows:

- Timeliness-The time elapsed between the date of service and the date that the encounter is received. Timeliness requirements are referenced in Section 6.2 – Submitting Claims and Encounters to the RBHA;
- Correctness- A correct encounter contains a complete and accurate description of a covered behavioral health service provided to a person. Correctness errors frequently identified include, but are not limited to, invalid procedure or revenue codes and ICD-9 diagnoses not reported to the correct level of specificity; and
- Omission- Provider documentation shows a service was provided, however, an encounter was not submitted.

- Lack of Documentation. A description of adequate documentation is referenced in: Section 4.2 – Behavioral Health Medical Record Standards, section 4.2.7-F, "Adequacy and availability of documentation."

In addition, assessment compliance must be monitored by the RBHA in accordance with Section 3.9, Assessment and Service Planning.

Magellan conducts encounter data validation audits with all contracted providers. The encounter data validation audits are designed to detect and deter fraud, waste, and abuse, and help ensure that covered behavioral health services are appropriately documented and billed/encountered and that they support the identification of opportunities for improvement in billing practices. Providers should take special care to ensure that valid procedure and revenue codes are utilized and that the coding of diagnoses are to the correct level of specificity. Magellan will provide advance notice of the encounter data validation audit. Audits may be conducted on site or applicable documentation may be requested for submission to Magellan. Magellan may also require access to provider databases and other electronic systems in order to conduct the audit.

8.1.2-B. Provider responsibilities

Providers must deliver covered services in accordance with the ADHS/DBHS Covered Behavioral Health Services Guide. Providers must document adequate information in the clinical record and submit encounters in accordance with Section 6.2, Submitting Claims and Encounters to the RBHA. Any data validation findings that indicate suspected fraud and/or program abuse must be reported to the DBHS Bureau of Corporate Compliance and the AHCCCS Office of Inspector General as required. Individuals reporting suspected fraud or abuse are also encouraged to notify Magellan. Please reference PM Section 7.1 – Fraud and Program Abuse Reporting, sub-section 7.1.3-C, "Reporting of fraud and program abuse to the T/RBHA," for more information. A determination of overpayment as the result of a data validation study will result in a recovery of the related funds/voiding of related encounters as required, pursuant to the Affordable Care Act.

8.1.2-C. Encounter validation study findings

RBHAs are required to report the data validation findings to the provider. Any encounter data validation audit error rate greater than 10% will result in corrective action. Magellan will also recover any funds related to improper billing in accordance with the federal False Claims Act and Section 6402 of the Patient Protection and Affordable Care Act (PPACA).

8.1.2.-D AHCCCS Encounter Data Validation

AHCCCS performs periodic data validation studies. All AHCCCS contractors and subcontractors are contractually required to participate in this process. In addition, the data validation studies enable AHCCCS to monitor and improve the quality of encounter data. Information regarding AHCCCS Encounter Data Validation Study procedures can be found in the Office of Program Support Operations and Procedures Manual.

8.1.3 References

The following citations can serve as additional resources for this content area:
AHCCCS/ADHS Contract

ADHS/RBHA Contracts
Section 3.9, Assessment and Service Planning
Section 3.13, Covered Behavioral Health Services
Section 4.2, Behavioral Health Medical Record Standards
Section 6.1, Submitting Tribal Fee-for-Service Claims to AHCCCS
Section 6.2, Submitting Claims and Encounters to the RBHA
Section 7.1, Fraud and Program Abuse Reporting
ADHS/DBHS Covered Behavioral Health Services Guide
Office of Program Support Operations and Procedures Manual
The Affordable Care Act, Title VI. Transparency and Program Integrity