

EXHIBIT D

Encounter Data Minimum Data Set Requirements and Corrective Action

Introduction

The information in Exhibit D applies to Encounter Data Transaction procedures for dates of service in effect on and after the date this Contract was signed. The parties to the Contract acknowledge and agree that the Contractor will transmit data to DMAP using the Health Insurance Portability and Accountability Act (HIPAA) Transaction Standards for Health Care Claims Data as specified in 45 CFR 162.1001 and 162.1102.

- a. Contractor shall take all necessary actions required by the Department to become a trading partner and to register and conduct data transactions. The parties shall comply with DHS Electronic Data Interchange (EDI) Rules; OAR 410-001-0100 et seq., applicable to the conduct of HIPAA Standard Transactions with trading partners.
- b. Upon Contractor's compliance with testing and other requirements in the DHS EDI rules, and when DHS determines that Encounter Transactions may be placed into the production environment, Contractor shall submit encounter data that complies with the data requirement in this Exhibit.

The parties understand and agree that Exhibit D may be further amended for purposes of complying with 45 CFR Parts 160 and 162.

I. General Provisions

A. Encounter Definitions

An "Encounter" is a service or bundle of services provided to one DMAP Member by one Provider in one time period. Encounters are divided into Medical, Inpatient Hospital (including a "Nursing Facility" meaning an establishment which is licensed and certified by Seniors and People with Disabilities) and Outpatient Hospital (including Nursing Facility, kidney dialysis, home health and hospice) claims.

1. "Adjudicated Encounters" are claims that process through DMAP system edits.
2. "Inpatient Hospital and Inpatient Nursing Facility Encounters" are services provided by a facility to a DMAP Member who has been admitted to the facility as an inpatient, as defined in the DMAP administrative rules, for the purposes of receiving services.
3. "Medical Encounters" are professional and ancillary services including durable medical equipment (DME) and medical transportation.
4. "Outpatient Hospital", "Outpatient Nursing Facility", "Kidney Dialysis", "Home Health", and "Hospice" Encounters are services provided by a facility to a DMAP Member who has not been admitted to the facility as an Inpatient, as defined in the DMAP administrative rules, for the purpose of receiving services.

5. “Pended Encounters” are claims with critical errors that will not process through DMAP system edits because of missing or erroneous data
6. “Report Errors” are claims that will process through DMAP system edits, however, they are a notice to Contractor to review the claim for errors such as inaccurate coding, maximum unit exceeded or contract limitations. Example: services provided below the Health Services Commission (HSC) line.
7. “Repended Encounters” are Pended claims that Pend again during the adjustment process.
8. “Validation Period” is the Contract Year, beginning January 1 and ending December 31 of the Contract period, or as specified in a duly executed amendment.
9. “Corrective Action Plan” is a DMAP initiated request for Contractor to develop and implement a time specific plan, that is acceptable to DMAP, for the correction of DMAP identified areas of noncompliance as described in this Exhibit and in Section 7, Sanctions.

B. Encounter Claims Submission and Processing

1. Contractor must submit Encounter claims at least once per calendar month. The claims must represent at least 50% of all claims received and adjudicated by Contractor that month.
2. Contractor shall submit all initial and unduplicated Encounter claims to DMAP within 180 days of the date of service. Corrective Action shall be initiated if more than 10% of the Encounter claims submitted is over 180 days of the date of service or exact duplicate claims exceed 10% per month.
3. DMAP shall Pend Encounter claims if the Encounter claim(s) cannot be processed because of missing or erroneous information.
4. DMAP shall notify Contractor of the status of all Encounter claims processed. Notification of all Pended Encounter claims shall be provided to Contractor each week.
5. Contractor shall submit corrections to all Pended Encounters within 63 days of the date DMAP sends Contractor a notice that the Encounters were Pended. Claims for correction that are not submitted within 63 days are subject to Corrective Action. See Section IV, subsection C, Timeliness.
6. To prevent Corrective Action, Contractor may submit documentation to DMAP citing specific circumstances that delay Contractor’s timely submittal of adjusted or original Encounter claim(s) (within 180 days from the date of service). DMAP will review the documentation and make a determination within 30 days on whether the circumstances cited are Acceptable. These “Acceptable” circumstances may include, but are not limited to:

- a. DMAP Member's failure to give the Provider necessary claim information,
 - b. Third-Party Resource liability coordination,
 - c. Delays associated with resolving out-of-area claims,
 - d. DMAP Member Pregnancy,
 - e. Third-Party submitter coordination,
 - f. Hardware and/or software modifications,
 - g. Staffing, and
 - h. DMAP recognized system issues preventing timely submission of corrections.
7. Contractor shall submit Encounter claims, for all services rendered to Contractor's enrolled DMAP Members under this Contract, including claims Contractor determined no liability exists. Contractor shall submit claims even if the Contractor did not make any payment for a claim, including claims for services to enrolled DMAP Members provided under subcontract, capitation or special arrangement with another facility or program. Contractor shall submit Encounter claims for all services provided under this Contract to DMAP Members who also have Medicare coverage, if a claim has been submitted to Contractor.
 8. Contractor shall include a provision in all Subcontracts that to the extent any provision in this Contract applies to Contractor with respect to the Work Contractor is providing to DMAP under a Subcontract, that provision shall be incorporated by reference into the Subcontract and shall apply equally to Subcontractor.
 9. Contractor shall not submit known exact duplicate claims to DMAP. DMAP may ask Contractor to participate in a Corrective Action process, if more than 10% of Contractor's monthly submissions contain exact duplicate claims.

C. Data Transmission and Format

1. Contractor must submit all Encounter Data to DMAP electronically. Contractor must submit all data in an 837 HIPAA Compliant formats and as set forth in the HIPAA Implementation Guides, DHS' 837 Companion Guides supplied by DMAP.

D. Data Set Requirements

1. The Data Elements specified in this Section constitute the minimum data elements required for DHS processing. Non-compliance shall be considered a breach of the terms of the Contract.

2. Contractor shall submit the following identifying information for all Encounters:
 - a. Contractor's DMAP Prepaid Health Plan Provider number or the National Provider Identifier (NPI), as required for submissions on or after May 23, 2007,
 - b. DMAP Member name,
 - c. DMAP Member number, also known as the DMAP prime number, and
 - d. Valid Claims Adjustment Reason Code(s) (CARC) (Contractor's determination a liability does or does not exist for each service line.)

3. For Medical Encounters, in addition to the identifying information listed in subsection D.2, DHS requires an 837P format and the following minimum data elements for DHS processing of claims:
 - a. DMAP rendering Provider number, the Universal Physician Identification Number (UPIN) assigned by CMS, DMAP billing Provider number or the NPI, as required by 45 CFR 162.412 for submissions on or after May 23, 2007,
 - b. ICD-9-CM diagnosis code(s) at the highest level of specificity,
 - c. Date(s) of service,
 - d. Modifier(s) (if applicable),
 - e. Procedure code(s) (e.g. CPT, HCPC),
 - f. Line item charge(s) based on the usual and customary charge(s) even though a Third Party Resource has made complete or partial payment, and
 - g. Quantity of units of service.

4. For Outpatient Hospital, in addition to the identifying information listed in subsection D.2, DHS requires the HIPAA 837 Inpatient format and the following minimum data elements for DHS processing of claims:
 - a. DMAP billing provider number for the facility or the NPI, as required by 45 CFR 162.412 for submissions on or after May 23, 2007,
 - b. Revenue center code(s) (National Uniform Billing Committee (NUBC) Rule,
 - c. Date of service for each line item,
 - d. Quantity of units of service,
 - e. Line item charge(s) based on the usual and customary charge (s) even though a Third Party Resource has made complete or partial payment,
 - f. ICD-9-CM diagnosis code(s) at the highest level of specificity,
 - g. Procedures code(s) (CPT/HCPCs) for the revenue center codes, and
 - h. Attending physician DMAP Provider number or UPIN assigned by CMS or the National Provider Identifier (NPI) as required by 45 CFR 162.412 for submissions on or after May 23, 2007. The provider's license number is not acceptable as a attending provider number.

II. Submission Standards

- A. The use of DMAP Provider number "999999" is not acceptable for the rendering or billing Provider number, except for Providers outside of Contractor's network or upon written agreement from DMAP. DMAP may initiate Corrective Action if Contractor submits more than 10% per month of their Encounter Data claims with "999999" as the Provider number. DMAP provider number "999999" will not be allowed for submissions on or after the NPI Implementation date of May 23, 2007 (45 CR 162.412) for any billing, performing, or attending provider.
- B. Contractor shall not delete Pended Encounter claims for the sole purpose of avoiding Corrective Action. Contractor may only delete Pended Encounter claims that DMAP has determined cannot be corrected or through other mutually agreed upon reasons.
- C. Contractor must make adjustments to Encounter claims when Contractor discovers the data are incorrect or no longer valid.
- D. If DMAP discovers errors with previously Adjudicated Encounter claims defined in this Exhibit for that Contract Year resulting from a federal or state mandate or request that requires the completeness and accuracy of the Encounter Data, Contractor shall be required to correct the errors.
- E. DMAP shall not impose Sanctions on Contractor for Encounter Claims affected by DMAP system limitations.

III. Error Types and Data Elements

A. Error Types

DMAP shall look for the following types of errors when validating Encounter Data:

1. "Accuracy Errors" are differences between the information in Contractor's DMAP Member medical records and the Encounter Data reported by Contractor to DMAP.
2. "Omission Errors" are Encounters that are not submitted to DMAP.
3. "Missing Medical Record Errors" are Encounter claims that the Contractor is unable to provide the complete medical record.
4. "Resubmission Errors" are Pended Encounters that have been resubmitted for correction and Pend for errors after resubmission.
5. "Timeliness Errors" are Encounters for which the time period between the date the Encounter is submitted to DMAP by Contractor and the date of service is greater than 180 days.
6. "Timeliness Errors in Resubmitted Encounters" are Pended Encounters that Contractor has not resubmitted within 63 days of the date DMAP sends Contractor a notice that the

Encounters were Pend. Timeliness Errors occur each 63 days thereafter that the Pended Encounters remain on the Pended file without successfully being corrected.

7. "Inadequate Submission Errors" occur when Contractor fails to submit at least once per calendar month. The claims must represent at least 50% of all claims received or adjudicated by Contractor for that month.
8. "Timeliness In Corrective Action Errors" are Encounters for which Contractor has not submitted corrections within 63 days of the date DMAP sends Contractor a notice that Encounters need to be corrected.

B. Data Elements for Validation Methodology

1. For purposes of Corrective Action, DMAP shall consider the Required Data Elements listed in Section I, subsections D, Data Set Requirements, listed above.
2. DMAP may conduct validations, quality checks, and analyses of Encounter data previously received from Contractor at DMAP's sole discretion and without notice to Contractor.

IV. Timeliness

DMAP will not take Corrective Action for Timeliness Errors, if the error occurred as the result of a DMAP Encounter Data system problem and are beyond the control of the Contractor. If the Timeliness errors are the result of Contractor's Encounter Data system breakdown, Contractor may provide documentation to DMAP. DMAP will review Contractor's documentation before determining if Corrective Action is indicated.

A. Timeliness Errors

1. Schedule

For the purposes of validating Encounter Data for Timeliness Errors, DMAP shall collect and tabulate information in the DMAP Encounter Data system once every three months during the Contract Year, at DMAP's sole discretion, and without notice to Contractor.

2. Method

a. The unit of analysis is the date of service on the Encounter claim.

b. Definition of Method

- (1) The number of Encounters submitted to the DMAP Encounter Data system with a date of service greater than 180 days from date of service until submission to DMAP is tabulated weekly.

- (2) If the number of Encounter claims submitted over 180 days from the date of service exceeds 10% of the Encounter claims submitted, Corrective Action may be initiated.

B. Resubmission Errors

1. Schedule

For the purposes of validating Encounter Data for Resubmission Errors, DMAP shall collect and tabulate information in the DMAP Encounter Data system no less than once every three months during the Contract Year, at DMAP's sole discretion, and without notice to Contractor.

2. Method

- a. The unit of analysis is the number of Pended Encounters that have been resubmitted.
- b. Definition of Method
 - (1) The number of Pended Encounters resubmitted to the DMAP Encounter Data system that Pend again are calculated weekly.
 - (2) If the number of resubmitted Encounters that Pend again exceeds 10% of resubmitted Encounters, Corrective Action may be initiated.

C. Timeliness Errors in Resubmitted Encounters

1. Schedule

For the purposes of validating Encounter Data for Timeliness in Resubmitted Encounters, DMAP shall collect and tabulate information in the DMAP Encounter Data system no less than once every three months during the Contract Year, at DMAP's sole discretion, and without notice to Contractor.

2. Method

- a. The initial unit of analysis is the original Pend notification date and date of resubmitted Pended Encounters as determined by the Internal Control Number (ICN), or lack of resubmission of Pended Encounters by the notification date. Subsequent units of analysis are set at 63-day intervals after the initial deadline date (63 days from original notification).
- b. Definition of Method

The number of Encounters Pended in the DMAP Encounter Data system with a Pend date greater than 63 days before resubmission to DMAP, or Encounters that are not resubmitted to DMAP, is calculated weekly. Thereafter, the number of Encounters that remain Pended in the DMAP Encounter Data system in 63 days increments is calculated until the claims adjudicate.

V. Validation Methodology

DMAP may draw samples from Enrollment information and Encounter Data for the purpose of performing validation audits, to be consistent with the protocol for Validating Encounter Data, set forth by the Department of Health and Human Services, Centers for Medicare & Medicaid Services, available at: <http://cms.hhs.gov/medicaid/managedcare/mceqrhmp.asp>.

A. Omission Errors

1. Schedule

Omission Errors are not tabulated continuously as part of the Encounter Data system; therefore, an annual sampling of Contractor's DMAP Member medical records, as provided by Contractor's Provider, is required in order to assess these errors. For the purposes of validating Encounter Data for Omission Errors, DMAP, or its designee, may collect information from Contractor's DMAP Member medical records. DMAP, or its designee, shall give Contractor no less than 30 days written notice prior to reviewing or collecting information from Contractor's DMAP Member medical records. Contractor shall submit medical records to DMAP, or make the records available at Contractor's office, within 30 days of receiving the written request for the medical records.

2. Method

a. DMAP Member's medical record is the basis of comparison.

b. Definition of Method

- (1) For a Validation Period, the number of Encounters observed in the medical record sampling above, but not reported by Contractor to DMAP as Encounters, is determined and computed as a percentage. This percentage is then the Contractor's Rate of Omission.
- (2) The Rate of Omission is extrapolated to the total number of reported Encounters to determine the total Omission Error.
- (3) If the Omission Error rate exceeds 10% of reported Encounters, Corrective Action may be initiated.

B. Missing Medical Records

1. Schedule
 - a. Missing Medical Record Errors are tabulated from the samples drawn for Omission and Accuracy Errors. DMAP, or its designee, may collect information from Contractor's DMAP Member medical records, as provided by Contractor's Provider, no less than once for each Contract Year. DMAP, or its designee, shall give Contractor no less than 30 days written notice prior to reviewing or collecting information from Contractor's DMAP Member medical records. Contractor shall submit medical records to DMAP, or make the records available at Contractor's office, within 30 days of receiving the written request for the medical records.
 - b. Upon review of the submitted medical records, DMAP staff shall notify the Contractor of missing medical records. Contractor will have the opportunity to submit these missing medical records within 30 days written notice from DMAP.
2. Method
 - a. The unit of analysis is the DMAP Member's medical record.
 - b. Definition of Method
 - (1) The number of medical records not submitted to DMAP within the 30-day period after receiving the second written notice shall be the number of Missing Medical Record Errors.
 - (2) If medical records are missing, Corrective Action may be initiated.

C. Accuracy Errors

For the purpose of determining Accuracy Errors, DMAP will consider subsequent adjustments to Encounter claims, if the adjustments are made prior to the sample selection. After that time, Encounter claims will be considered final for the purpose of determining Accuracy Errors.

1. Schedule

Accuracy Errors are not tabulated continuously as part of the Encounter Data system; therefore, an annual sampling of Contractor's submitted Encounter Data is required in order to assess these Errors. DMAP, or its designee, may collect information from Contractor's DMAP Member medical records, as provided by Contractor's Provider, to validate specific Encounter Data elements no less than once for each Contract Year. DMAP, or its designee, shall give Contractor no less than 30 days written notice prior to reviewing or collecting information from Contractor's DMAP Member medical records. Contractor shall request and submit medical records to DMAP or make the records available at Contractor's office within 30 days of receiving the written request for the medical records.

2. Method

a. Contractor's Accuracy Errors in the Encounter Data are computed as follows:

- (1) The DMAP Encounter medical review team shall determine the number of Errors in the test samples of Encounters that were reported to DMAP with one or more Accuracy Errors in the Data Elements. This determination shall be based on a comparison of information available in the medical record and the information reported to the DMAP Encounter Data system.
- (2) A calculated percentage of Accuracy Errors determined from the test sample shall be applied to the population of the Encounters. This number shall be reduced by a 5% error tolerance adjustment.
- (3) The result is the estimated number of Accuracy Error Encounters. If the Accuracy Errors exceed the 5% tolerance adjustment, Corrective Action may be initiated.
- (4) See Table below:

Examples of recommended data quality standards for evaluation of submitted Encounter Data fields		
Data Element	Expectation	Validity Criteria
DMAP Member	Should be valid ID as found in the DHS eligibility or Enrollment files.	100% valid.
DMAP Member Name	Should be captured in such a way that makes separating pieces of name easy. There may be some confidentiality issues that make this difficult to obtain. If collectable, expect data to be present and of good quality.	85% present. Lengths should vary and there should be at least some last names >8 digits and some first names <8 digits. This will validate that fields have not been truncated. Also verify that a high percentage have at least a middle initial.
Date of Birth	Should not be missing and should be a valid date.	<2% missing or invalid.
PHP ID or NPI	Critical Data Element.	100% valid.
Provider ID or NPI	Should be an enrolled Provider listed in the Provider/Capacity Report	95% valid.
Attending Provider ID or NPI	Should be an enrolled Provider listed in the Provider/Capacity Report.	85% match with Provider/ Capacity Report by either DMAP Provider ID, NPI or UPIN.
Provider Location	As specified in the Provider/Capacity Report. Minimal requirement is county code, with zip code being strongly advised.	≥ 95% with valid county code. > 95% with valid zip code (if available).
Specialty Code or Taxonomy	Coded mostly on physician and other practitioner, optional on other types of Providers.	Expect >80% non-missing and valid on physician or other applicable Provider type claims (e.g. other practitioners).
Principal Diagnosis	Well coded except by ancillary type	>90% non-missing and valid codes (using

	Providers.	ICD-9-CM lookup tables) for practitioner Providers (not including transportation, lab and other ancillary Providers).
Other Diagnosis	This is not expected to be coded on all claims even with applicable Provider types, but should be coded with a fairly high frequency.	90% valid when present.
Date of Service	Dates should be evenly distributed across time.	If looking at a full year of data, 5-7% of the records should be distributed across each month.
Unit of Service (Quantity)	The number should be routinely coded.	98% non-zero. < 70% should be one if CPT code in range 99200-99215, 99241-99291.
Procedure Code	This is a critical data element and should always be coded.	99% present (not zero, blank, 8- or 9-filled). 100% should be valid, State approved codes. There should be a wide range of procedures with the same frequency as previously encountered.
Procedure Code Modifier	This is important to pick up to separate out surgical procedures/anesthesia/ assistant surgeon. It is not applicable for all procedure codes.	>20% non-missing. Expect a variety of modifiers both numeric (CPT) and alpha (HCPCS). The more common codes that should appear with at least a minimal frequency are: 47 (anesthesia) and 80 (assistant surgeon).
Patient Discharge Status Code (Hospital)	Should be valid codes for inpatient claims with the most common code to be Discharged to Home. For outpatient claims it can be coded as not applicable.	For inpatient claims, expect >90%. Discharged to Home. Expect 1-5% in all other values (expect non-applicable or unknown).
Revenue Center Code (Hospital)	Should always be present, when appropriate.	100% valid.

D. Inadequate Submission Errors

1. Schedule

For the purposes of validating Encounter Data for Inadequate Submission Errors, DMAP shall collect and tabulate information in the DMAP Encounter Data system during the Contract Year, at DMAP's sole discretion, and without notice to Contractor.

2. Method

The rate of comparison is the number of original Encounter claims received in DMAP's Encounter Data system as a proportion of the total claims.

- a. DMAP staff will develop submission rates for Contractor's expected rate of Encounter Data submission for each applicable claim type.
- b. Projections will consider factors including, but not limited to: Enrollment information, expected utilization of services and lag time for Contractor to receive Encounter information from Providers.

- c. Each month, DMAP will review the number of Encounter claims received from Contractor for each claim type comparison to the expected number of Encounter claims from the Contractor for that claim type.
- d. If the number of submissions of Encounter claims received by DMAP from Contractor for any claim type is less than 50% of the expected number of Encounter claims for that claim type, Corrective Action may be initiated.
- e. DMAP shall examine Encounter submissions, for any claim type, using descriptive and inferential statistics.

VI. Corrective Action and Sanction Penalties

A. Corrective Action

1. Previous Contract requirements will be subject to Corrective Action according to the terms of that Contract Year. Termination of the Contract does not relieve Contractor of Contractor's obligation to submit all required Encounter Data for dates of service within the Contract Year, nor does it relieve Contractor of the obligation to complete Corrective Action Plans or pay recovery costs.
2. When DMAP intends to implement Corrective Action the procedures stated in Section 7 of this Contract shall apply.
3. DMAP's contractual compliance monitoring of Contractor's Work, as it relates to Exhibit D, will occur on a daily basis. Any noncompliance issues identified by DMAP will be reported to Contractor in writing within 10 business days with detailed information including the area of noncompliance, severity and recommended solution(s). Contractor must respond within 10 business days in writing by citing Acceptable circumstances as specified in Section I, subsection B.6 or proposed solutions including specific time frames for resolution.
4. Noncompliance issues not responded to within 10 business days will be escalated to a formal Corrective Action Plan.
5. A Corrective Action Plan(s) is/are developed and mutually agreed to by DMAP and Contractor. A Corrective Action Plan(s) not met by Contractor will be subject to Sanction penalties as described in Contract, Section 7, Sanctions and/or Exhibit D, Section VI Sanction Penalties for Pended Encounter Claims in subsection B, as determined by DMAP.
6. Contractor shall not incur additional penalties caused by errors directly related to an active Corrective Action Plan if the matter is resolved within a mutually agreed upon time frame. DMAP will initiate a revised Corrective Action Plan if new errors not directly related to the current Corrective Action Plan occur.

B. Sanction Penalties for Pended Encounter Claims

1. Failure to comply with a Corrective Action Plan related to the requirements of data submissions as described in Section 5, subsection V, Encounter Data and Exhibit D, Sections III and IV shall be subject to sanctions imposed at DMAP’s sole discretion and as specified in Contract, Section 7, Sanctions or the Sanction Penalty Table below.
2. Sanction penalties imposed by DMAP due to Pended claims not corrected within 63 days as described in Section III and IV shall be calculated based on the Sanction Penalty Table below. For penalty levels of 1% of Monthly Capitation refer to Section 7, Sanctions, subsection B.2.
3. Sanction Penalty Table for Pended Claims
 - a. Capacity is the average of the Contractual Enrollment Limit for the 12 month period preceding the month a Sanction will be applied based on Contractor's Enrollment Limits established in Contract to provide Covered Services in a specific Service Area(s) as indicated in Section E, Enrollment Limits.
 - b. The pended encounter claim penalty is calculated by dividing the number of pended claims, as identified by DMAP, by Contractor's Capacity. The resulting ratio of pended claims to Capacity is the percentage value that is used to determine the financial penalty due to DMAP from Contractor, unless a pended claim penalty has been levied within the last two consecutive Contract years. If so, the sanction amounts are then multiplied by the number of times DMAP or Contractor initiated a pended claim penalty during the last two consecutive Contract Years. Sanction penalties will not exceed 1% of Contractor's Monthly Capitation Payment.

Penalty Table for Pended Encounter Claims

Percent of Claims Pended							
1	2	3	4	5	6	7	8
100 claims or less (or less than 1%)	1%-1.9%	2%-4.9%	5%-9.9%	10%-19.9%	20%-29.9%	30%-39.9%	40% or higher
Zero dollars	\$5,000	\$10,000	\$15,000	\$20,000	\$25,000	\$30,000	\$35,000 or 1% of Monthly Capitation (unless the 1% is the lesser of

							the two)
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Percentages are rounded up to the nearest tenth of a percent.