



Encounter Data Work Group Summary Notes for Third Party Submitters: Key Findings and Recommendations

Third Party Submitters

Work Group 1 of 3

This report summarizes the findings of the Encounter Data Work Group Third Party Submitters conducted on December 8, 2010. Participant organizations in this Work Group included:

- Dynamic Healthcare Systems
- Health Risk Partners
- Cirdan Health Systems
- Ingenix
- Trizetto
- Palmetto GBA
- Leprechaun
- MMC
- Clear Vision Information Systems
- DST Health Solutions
- Dynamic Commerce Applications Solutions
- TMG Health
- Plan Data Management
- Health Partners
- Med Assurant
- Population Health Management
- Information Crossing Healthcare Services
- National PACE Association
- Outcomes Health Information Solutions
- CMS
- ARDX

The primary purpose of the Encounter Data Work Groups is to provide a forum for communication between the Centers for Medicare & Medicaid Services (CMS), Medicare Advantage Organizations (MAOs), and Third Party Submitters to determine and discuss issues while creating possible solutions for final implementation of Encounter Data.

The goals for this series of sessions with Third Party Submitters include:

- Identifying a strategy to receive and transmit data in the 5010 format,
- Determining the capabilities of third party submitters to handle the increased data volume and file size of encounter data submissions, and
- Identifying the storage capacity for full data claims.

The expected discussion topics for this session were:

- Solution identification for challenges MAOs face in transitioning to collection of encounter data,
- Transmission of data not accounted for in the 5010 format,
- Capability to submit test data within the specified timeframe, and
- Automation possibilities for collection of encounter data.

Encounter Data Work Group

Third Party Submitters

December 8, 2010



Due to focused discussion on the challenges and identification of resolutions to meet those challenges, only the first discussion topic was addressed during this first of three Encounter Data Work Groups with Third Party Submitters. The remaining discussion topics, as well as newly identified discussion topics during the course of this working session will be used to facilitate further conversations with the industry and Third Party Submitters.



Challenges and potential resolutions to assist MAOs in transitioning to collection of encounter data

The following are the important challenges and resolutions identified during the work group regarding solution identification for challenges MAOs face in transitioning to the collection of encounter data.

Issue Identified: Differences in Submission of paper claims and the 5010 format

Participants identified that there is a difference in the submission of the 5010 format compared to the submission of paper claims. Participants reported that some data elements required on the 5010 would not be available based on the paper claim. This could cause the claims data to not complete processing and fail system edits.

Resolutions Discussed

Participants during the work group were unable to provide responses or possible resolutions to this issue at this time.

Recommendations

- CMS and the MAOs must identify data elements that would be missed or are of concern on the 5010 format with the use of paper claims data. This allows resolutions to be further explored for the transmission of encounter data on the 5010 format whereby data was derived from a paper claim.
- Third Party Submitter Work Group participants were asked to email examples of specific data gaps (fields) between paper claims data and the 5010 to eds@ardx.net by December 15, 2010.
 - CMS Encounter Data Project Team will meet December 16, 2010 to discuss data gaps between the paper claims data and the 5010 based on the examples received. This discussion and potential solutions will be an agenda item for the next Third Party Submitter work group scheduled for February 23, 2011.
- A comprehensive list of CEM edits are posted on the CMS website and will be posted on the registration website (www.tarsc.info) for the work groups under the resource tab. This should be used as a companion guide for development of front-end systems. To conduct testing from March-June 2011 (front end testing), assume all edits for the CEM will be turned on.

Issue Identified: Ability of Legacy Claims Systems to translate into the 5010 format

Participants in the Work Group identified that the industry is preparing for the transition to the 5010 format and the use of ICD-10 coding. However, since a new outbound data extract file must be created in order to adjudicate and submit the encounter data in the 5010 format, and the 5010 format requires substantially more data, this places an unexpected burden on the industry. The timing of this implementation creates a challenge for providers with a potentially immature IT infrastructure. Participants described that the development of this extract file could take anywhere from as little as 60-90 days to as much as six months, depending on systems capabilities.



Resolutions Discussed

Several resolutions were identified during the discussion of capabilities of legacy systems to translate data into the 5010 format. These resolutions were:

- CMS may need to allow more time for smaller organizations to develop their systems. Small plans will require more time to create an outbound extract file to submit data included on the 5010. It is possible that additional funding may be needed for this workload depending on system capabilities.
 - Generally 60-90 days is needed to prepare systems for this. However, it could take up to 4-6 months depending on plan size and current technological capabilities.
- CMS should consider accepting non-adjudicated claims data for encounter data submission
 - Advantages to accepting non-adjudicated claims data include:
 - There is no longer a need for an extract file.
 - CMS would receive all data.
 - MAOs would be in compliance with established deadlines sooner.
 - Disadvantages:
 - CMS would not be receiving finalized claims (paid or denied) and would not know the status of the claim (paid or denied).
 - CMS would also have to clean the data received.
 - Submitting non-adjudicated claims may cause health plans to be out of sync with the diagnoses data and chart review data that is used in Risk Adjustment.
 - Pre-adjudicated claims have data quality issues.
 - Coordination of Benefits (COB) information is not present on non-adjudicated claims data.
 - A different reporting system would be needed to identify data that is accepted for Risk Adjustment if using non-adjudicated claims data.
- A participant described that the use of adjudicated claims data is important. It was recommended to send adjudicated claims in the 5010 format, but with fewer required data elements. A viable solution may be to use only those required fields initially in the 5010 format, and then phase-in other fields that are not essential to risk adjustment (i.e., taxonomy) until all data elements are being collected.

Recommendations

- Plans may want to research available options of off the shelf programs to assist with the conversion. One example shared can be found at:
<http://www.palmettogba.com/Palmetto/Providers.nsf/docsCat/LA%20MS%20Part%20A%20EDI~Software%20Manuals~View%20Software%20Manuals~LA%20MS%20Part%20A%20PC-ACE%20Pro32%20Reference%20Guide?open&Expand=1>.
- Further discussions are needed regarding plan-specific system requirements verses CMS system requirements for the use of the 5010 format and data collected. Are there elements, segments/loops, which could be relaxed, at least initially?



Issue Identified: National Provider Identification (NPI) requirement

NPI is a requirement for the 5010 format. There are specific edits in the CEM, front-end, and processing systems that are based on the NPI. Legacy systems translate provider identifiers into a corporate NPI. Oftentimes, MAOs are receiving the Federal Tax ID from providers and not the NPI. A significant amount of effort and time will be needed to conduct provider training on the use and importance of the NPI. Participants also identified that certain fields on the 5010 (i.e., taxonomy) would need to crosswalk to the NPI.

Resolutions Discussed

- CMS could create an alternative or “dummy” number to bypass edits for the NPI field for those providers without an NPI.
- CMS requires health plans to reject claims submitted without an NPI and then resubmit the claims data once the NPI is available and accurate.

Recommendations

- Participants were asked to email a list of unique examples of providers without an NPI (for example, Meals on Wheels) to eds@ardx.net by December 15, 2010.
- The CMS Encounter Data Project Team will meet December 16, 2010 to discuss alternatives for using the NPI.

Issues Identified but not Discussed during the Third Party Submitter Work Group

The following issues in Table 1 were identified during the Third Party Submitter Work Group, but due to time constraints, were not discussed during this session. These will need to be addressed further in the next session for this group of Third Party participants on February 23, 2011.



Table 1: Issues Identified but not Discussed

Issue Identified	Challenge Description
Parallel Systems Processing	Risk Adjustment and Encounter Data Systems will run parallel processing. <ul style="list-style-type: none"> • Parallel systems will run for a minimum of 1 year, until the Encounter Data System is fully tested and there is no impact to plan payments. • CMS will run error corrections on both systems during parallel systems processing. • Reconciliation between Encounter Data and Risk Adjustment systems will be difficult. Plans will need a firm understanding of CMS filtering logic to ensure data matches. • There are also operational challenges due to the volume of error corrections expected.
Dental and Vision data submission	Expectations regarding submission of dental and vision data must be defined. <ul style="list-style-type: none"> • Currently the 837I and 837P format differs for dental (837D) data submissions. • There is a challenge in integrating this data into the encounter data system with an increased risk for data errors.
Capturing Diagnosis Data	Concerns were raised regarding MAO capacity to capture all diagnosis data. <ul style="list-style-type: none"> • Identification of alternative submission methods that could be used to capture diagnosis data (i.e., Assessment Tool or Superbill). • Methodology to distinguish between chart review and other diagnostic data (i.e., indicator showing non-adjudicated claims data).
Chart Review Data	Submission and processing of Chart Review data.
Paper Claims Data	Participants require significant guidance on ensuring the processing of data submitted by providers in paper claim format.
Capabilities of Legacy Systems	All third parties can receive an 837 inbound file. However, concern arises that not all legacy systems are capable of sending an 837 outbound file.
Requirement of charges or amounts on 5010 format	Charges or amounts fields from the 5010 format can be used to balance costs and ensure analysis of edits that may affect pricing requirements.
837 Cancellations/ Adjustments	Submission of the deleted (cancelled) claims data would be burdensome to MAOs.
Creating the 837 Outbound file	Participants identified that the 837 outbound file has additional data elements to the 837 inbound file. The outbound file includes loops for payment and coordination of benefits. Are there any elements that can be relaxed?
Reports	Plans request reports that show the data that is used for Risk Adjustment payment calculations, as well as the data that is stored for Encounter Data pricing. Participants requested that all reports be returned to both the Third Party Submitter (when applicable) and to the MAOs.



Questions Addressed Throughout the Work Group

The following are additional questions discussed by participants during the Third Party Submitter Work Group.

Questions asked by Participants

Q1: What is Encounter Data? Does it include any claims data submitted from providers to plans?

A1: Encounter Data comprises any claims data information entered in the 5010 format. Currently, CMS is asking MAOs to submit only adjudicated claims.

Q2: Are plans required to submit pricing information?

A2: MAOs must submit adjudicated claims data. CMS does not intend to compare the amount actually paid by the plan to the amount CMS would pay. Pricing information will be stored in the Encounter Data repository and used in the future to recalibrate the risk adjustment model, once CMS can be certain that the plan payments will not be impacted by the transition to collection of encounter data.

Q3: How long will the Risk Adjustment Processing System and the Encounter Data System run parallel processing?

A3: The Risk Adjustment and Encounter Data Systems will run parallel until CMS can be certain that payment will not be impacted by the transition.

Q4: What is the source for Risk Adjustment payments?

A4: Initially this will not change. The Risk Adjustment Processing System will calculate the risk score and then the payment will be calculated in MARx. This process will be phased out and all systems will be transitioned to the Encounter Data System in advance of turning off the Risk Adjustment Processing System. CMS expects this to take at least a year.

Q5: What does adjudicated mean?

A5: Adjudicated claims are those that are approved/accepted or denied claims. CMS only seeks data on paid and denied services and it is important that the MAOs conduct as little manipulation as possible to ensure all data is collected.

Q6: Can plans send DME claims data earlier than the schedule testing dates?

A6: Yes, plans can send DME test data when it is ready. CMS does not want MAOs to filter their data at this time. Send in all claims data, including DME. CMS will store the data and then run these during the appropriate testing timeframe.



Key Conclusions and Recommendations for Encounter Data Third Party Submitters Work Group

Based on the information discussed in the Third Party Submitters Work Group held on December 8, 2010, the following recommendations are provided to CMS to ensure successful implementation of the collection of encounter data.

Recommendations

- Non-adjudicated claims data should not be sent to CMS for encounter data purposes.
- Participants request that CMS identify all required fields for the collection of encounter data on the 5010.
- A phase-in approach could be used to promote a smoother transition to submission of all data elements from the 5010. MAOs are still required to submit only adjudicated claims on the 5010 format. However, fewer data elements would be required initially. This will reduce the number of rejected claims data due to unsuccessfully passing the front-end or processing system edits. As systems are developed and tested, edits could be phased in over time to include all remaining fields of the 5010.
- Reports returned to MAOs and Third Party Submitters clearly describe data that is used for Risk Adjustment Payment Calculations and data used for Encounter Data Pricing. Participants identified that all reports should be returned to both the MAO and the Third party Submitter (when applicable).
- CMS recommends that an initial round of front-end testing be completed with all edits turned on. Edits can then be relaxed following testing as issues arise.

Action Items and information needed from Third Party Submitters

- Participants are to provide examples and identify plan-specific systems requirements for adjudication using the 5010 format. This will allow CMS to determine if any of these requirements can be relaxed initially to ease the transition.
- Participants are to provide a list of non-Medicare provider types that will need to be processed using an alternative or “dummy” NPI. Participants were asked to email a list of unique examples of providers without an NPI (for example, Meals on Wheels) to eds@ardx.net by December 15, 2010.
- Participants are to provide examples distinguishing the specific gaps between data elements for processing the 5010 format and paper claims to eds@ardx.net by December 15, 2010.

The next Encounter Data Work Group will be held with Third Party Submitters on February 23, 2011.

NOTE: The comments expressed in this work group do not reflect final policy.