

# Arizona Department of Health Services

## Division of Behavioral Health Services

### PROVIDER MANUAL

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

### **8.1.2 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](#)  
[ADHS/DBHS Covered Behavioral Health Services Guide](#)  
[Office of Program Support Operations and Procedures Manual](#)

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#### 8.1.3 Scope

##### To whom does this apply?

All behavioral health providers under contract with a RBHA or a RBHA network that deliver covered behavioral health services to eligible persons.

#### 8.1.4 Did you know...?

- The majority of correctness errors found are caused by invalid procedure or revenue codes and by not coding the diagnosis to the correct level of specificity. Coding from the ICD-9 is required on all encounter submissions.
- RBHAs are required to conduct encounter validation studies of their providers on a quarterly basis.
- If determined appropriate, ADHS/DBHS and the RBHAs can pass down sanctions for non-compliance with encounter submission requirements to behavioral health providers.

#### 8.1.5 Objectives

To communicate an overview of data validation studies and the expectation for behavioral health providers to cooperate with all activities associated with AHCCCS' or ADHS/DBHS' data validation review.

#### 8.1.6 Procedures

##### 8.1.6-A. Criteria used in encounter validation studies

The criteria include timeliness, correctness and omission of encounters. These criteria are defined as follows:

- Timeliness-The time elapsed between the date of service and the date that the encounter is received at AHCCCS.
- 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 covered behavioral health service was provided, however, an encounter was not submitted.

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

NARBHA conducts quarterly encounter validation studies for subcontracted providers. Each quarter, NARBHA will perform data validation reviews on a minimum of 10% of its providers for omission, correctness and timeliness errors. To ensure that omission errors in the clinical record can be accurately detected, reviewed encounters have dates of service that are at least 6 months prior to the review date. All encounters will be reviewed to verify that documentation and claims are consistent with requirements in the ADHS/DBHS Covered Behavioral Health

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Services Guide, the Provider Manual, and applicable licensure requirements. NARBHA conducts an exit interview with the provider and communicates any patterns of errors found during the review and provides technical assistance as necessary. NARBHA also provides each provider with a written summary following each data validation review. Improvement activities for subcontracted providers may include, but are not limited to, more frequent data validation monitoring; mandatory training; changes to documentation, service delivery and/or billing practices; recoupments; and financial sanctions.

NARBHA's Data Validation Unit may also perform a review when notified of concerning claiming patterns. Concerns can be brought to the Data Validation Unit's attention by the Claims Unit, the Corporate Compliance Office, NARBHA Care Management or any other concerned NARBHA staff. If a request is made for the Data Validation Unit to perform a focused audit the results are then given to unit/person who requested the audit, the Clinical Documentation and Review Manager and the Quality Management Administrator. Once the results are distributed the appropriate action can be decided. The provider can be turned over to the Performance Improvement Unit and/or have a full data validation audit performed. Claiming patterns are reviewed by NARBHA's Data Validation Unit each quarter using a claims stratification process. Stratification of data including number of units, service code type, and/or claim reimbursement can identify claims outliers that are then reviewed for accuracy.

If fraud or abuse is suspected at any time during encounter validation, the suspected fraud or abuse will be reported to the NARBHA Corporate Compliance Officer. A provider may be considered to be submitting fraudulent or abusive claims if NARBHA has given the provider written feedback or technical assistance about a pattern of errors and the provider continues the same practice after feedback is received.

#### **8.1.6-B. Behavioral health provider responsibilities**

Behavioral health providers must deliver covered services in accordance with the [ADHS/DBHS Covered Behavioral Health Services Guide](#). Behavioral health 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](#).

#### **8.1.6-C. Encounter validation study findings**

RBHAs are required to report the data validation findings to the provider.

ACCCS encounter validation study findings – Written preliminary results of all Title XIX/XXI encounter validation studies are sent to ADHS/DBHS for review and comment. ADHS/DBHS has a maximum of 30 days to review results and provide AHCCCS with additional documentation that may affect the final calculation of error rates and sanctions. Behavioral health providers may be requested to assist ADHS/DBHS or the RBHA in reviewing encounter study results and/or, if appropriate, challenging any sanctions assessed.

ADHS/DBHS encounter validation study findings – ADHS/DBHS conducts a quarterly encounter validation study with each RBHA. Medical records are independently reviewed and coded by at least two ADHS/DBHS staff members, with at least one person being a Certified Professional Coder. The results of the independent review are compared to the findings of the RBHA staff.

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ADHS/DBHS staff then compares the mutually agreed upon medical record review results with encounters on file in the Client Information System (CIS) computer system to determine if the claims have been submitted and to verify that there are no discrepancies between the service codes, number of units, and diagnosis codes documented in the medical record and the encounter data. Within seven business days after completion of the data validation study conducted by the ADHS/DBHS Data Validation Unit, a summary report is issued to the RBHA which includes the number of records reviewed, the number of errors found, a training issues identified, and if required, requests for corrective action.

#### **8.1.6.-D AHCCCS Encounter Data Validation**

AHCCCS performs yearly 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](#).

Consistent with the Federal False Claims Act, NARBHA requires all encounter validation errors be corrected by the provider within 21 calendar days from the date of the NARBHA data validation audit. If the provider desires to challenge an error, documentation to support the challenge must be received at NARBHA within 7 calendar days of the findings letter date. Correction is a two step process, first recouping the claim and then resubmitting a corrected claim. NARBHA will initiate the recoupment of all claims found in error after 8 calendar days of the audit date. NARBHA will notify the provider in writing when the recoupments are complete. The provider will submit final corrected claims and any omissions to NARBHA within 21 days of the audit date. If a provider does not correct data validation errors within this time frame, NARBHA may consider a sanction for each incorrect claim (see Attachment [10.1.1 NARBHA Sanctions Schedule Possible Sanctions](#)). NARBHA will notify the provider in writing when the correction process is complete.