

Medi-Cal Encounter Data Landscape Assessment

August 12, 2019

Recent federal rules and actions represent renewed interest in the submission of complete, accurate and timely encounter data.

CMS Medicaid and CHIP Managed Care Final Rule

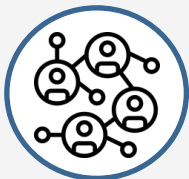


States must, under potential penalty of federal matching funds:

- Require that Medicaid managed care plans (MCPs) collect and submit accurate and complete encounter data using specified industry standard formats
- Review and validate that monthly encounter data submissions are complete and accurate when received from MCPs
- Implement an encounter quality rating system, produce annual program reports on plan performance, and audit encounter data every three years

★ *While some Managed Care Rule stipulations are not necessarily new, they represent renewed federal and state attention to encounter data quality.*

CMS and ONC “Interoperability Rules”

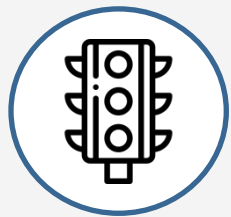


MCPs must:

- Use open application programming interfaces (APIs) with the HL7 Fast Healthcare Interoperability Resources (FHIR) specification to share encounter data
- Be able to share electronic health information (EHI), including encounter data, up to five years after a patient’s coverage ends

Encounter data is playing an increasing role in Medi-Cal managed care plan rate setting, provider payment distribution, and quality scoring.

Rate Setting & Encounter Data Stoplight Reporting



- DHCS will increase encounter use in **rate development** starting in SFY2020-21 with encounter data expected to serve as the primary base data for rate development by SFY2022-23.
- DHCS is producing **Encounter Data Stoplight Reports** that will measure discrepancies between an MCP's Rate Development Template and its submitted encounter data. MCPs with major discrepancies may be placed under a Corrective Action Plan and sanctioned.

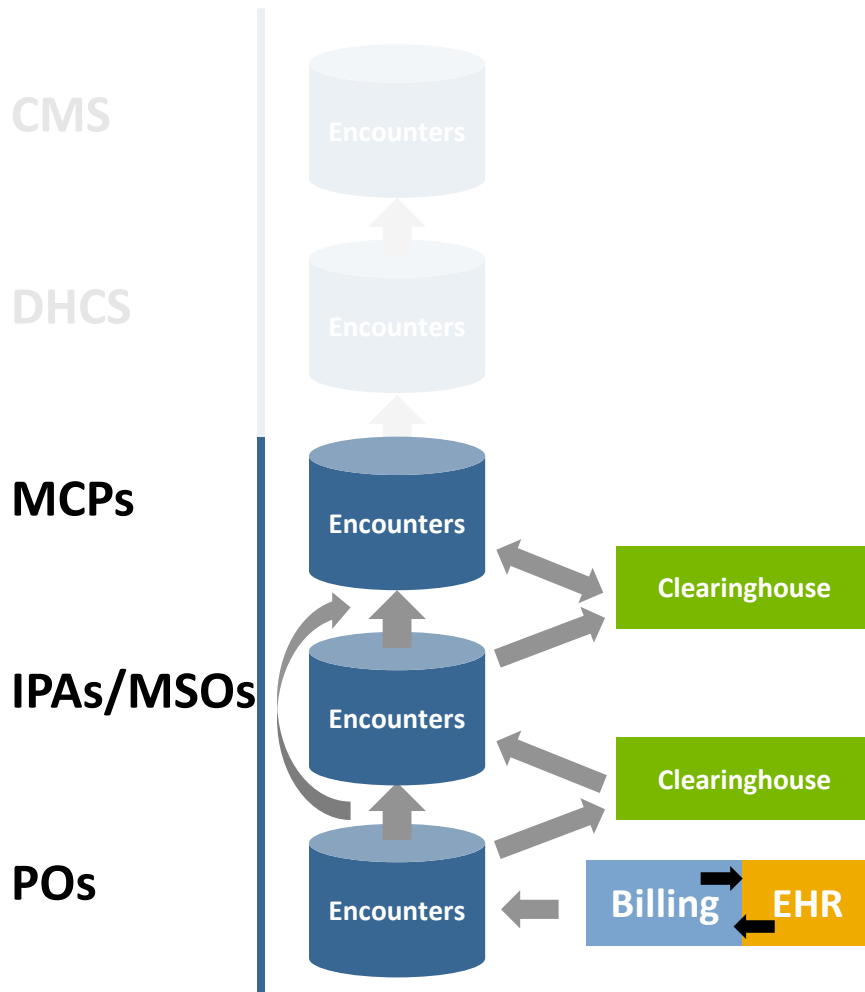


Directed Payments will utilize encounter data to direct provider payments, including Physician Directed Payments (Prop 56) and Hospital Directed Payments programs, such as the Designated Public Hospital (DPH) Quality Incentive Program; DPH Enhanced Payment Program; and Private Hospital Directed Payment Program.



Improving HEDIS Scores: Health plans must meet the 50th national percentile for HEDIS measures, calculated in part using encounter data. Performance below the 25th percentile will trigger an "improvement plan" by DHCS.

Delivery System Observed Challenges

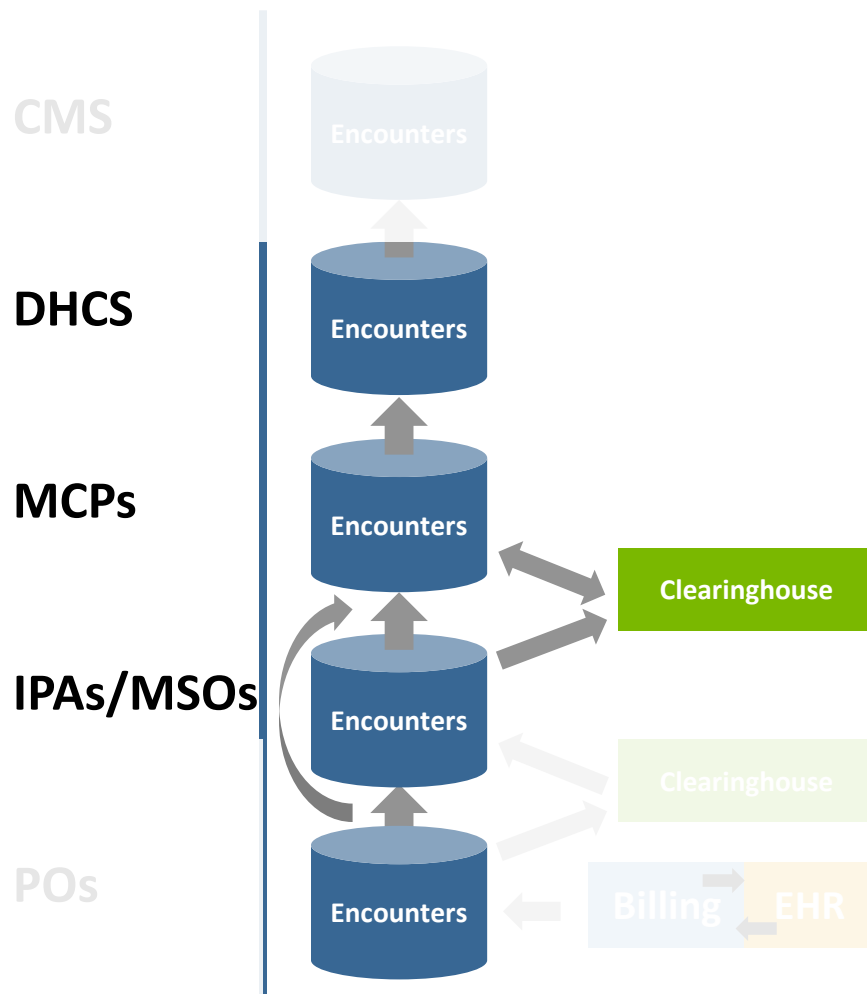


Contracted Provider Organizations (POs), Independent Practice Associations (IPAs) & Managed Services Organizations (MSOs)

Encounter Dataflow: Patient services from POs are documented in EHR, translated into a bill/encounter and submitted to an IPA/MSO directly or through a clearinghouse. IPAs/MSOs aggregate and submit encounter files to contracted MCPs. Providers may also submit directly to MCPs.

Encounter Data Reporting Challenges:

- Lack of awareness of encounter data significance
- High staff turnover and limited training in proper coding and encounter data submission processes
- Reliance on antiquated or rigid EHR systems, or paper-based submissions
- Lack of timely or actionable feedback on rejection reports at each submission level
- Uneven data standards, requirements and communication across clearinghouses and MCPs
- EHR, billing and transaction system migrations resulting in significant encounter data issues



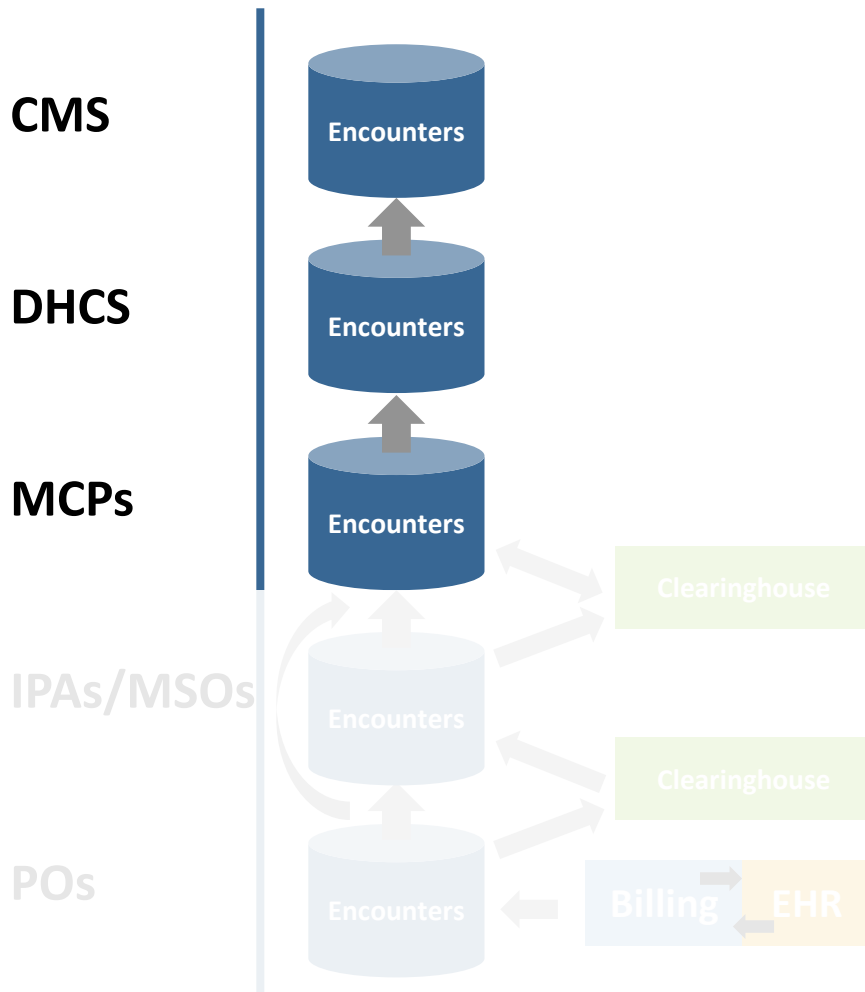
Managed Care Plans (MCPs)

Encounter Dataflow: MCPs* receive claims and encounters from providers, IPAs/MSOs and other sub-capitated plans, and use it to calculate HEDIS/quality and performance metrics, P4P payments, and to manage population health; some plans may use it to calculate future capitation payments. MCPs are required to submit complete, accurate, and timely encounter data to DHCS for services provided to enrolled beneficiaries in national standard formats (837I, 837P, NCPDP) and in accordance with most recent DHCS Companion Guides.

Encounter Data Reporting Challenges:

- Incomplete submissions from contracted IPAs and providers
- Divergent requirements for standards adoption (i.e., new code versions may be required by CMS but not yet accepted by DHCS)
- Unclear DHCS submission standards (e.g. local codes) and inaccurate coding cross-walks
- Lack of DHCS transparency/feedback on edits/rejections

**Includes medical groups functioning as licensed health plans*

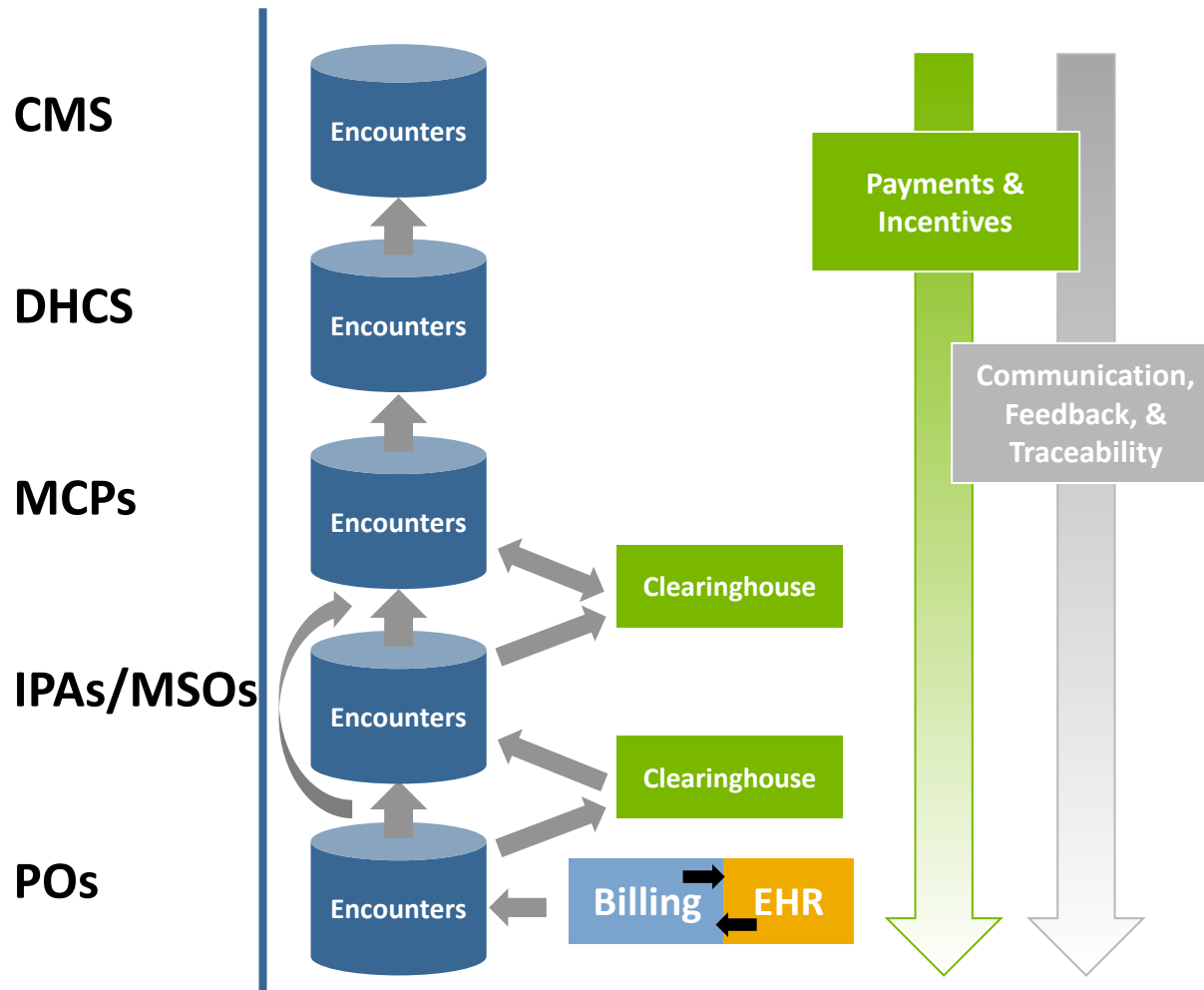


Department of Health Care Services (DHCS) & Centers for Medicare & Medicaid Services (CMS)

Encounter Dataflow: DHCS receives MCP encounter data, reviewing for accuracy and completeness and to meet federal Transformed Medicaid Statistical Information System (T-MSIS) submission requirements; uses data to calculate Stop Light Reports, inform rate setting, and distribute provider directed payments; submits encounter files to CMS. CMS uses encounter data to monitor state Medicaid performance and predict future costs.

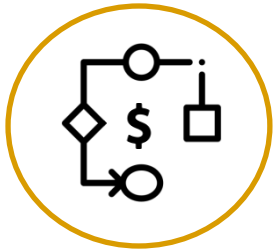
Encounter Data Reporting Challenges:

- Lack of CMS guidance leads to incomplete and unclear standards and state requirements (per GAO review)
- CMS rules and guidance do not typically account for California’s complex, delegated care model
- Long lag times for encounter completeness/quality feedback from CMS to DHCS and DHCS to MCPs
- Limited understanding of downstream technical challenges associated with submitting encounter data
- Governing a tremendously complex encounter data ecosystem without complete visibility, especially into intermediaries



Cross-Cutting Issues

- Poor Communication:** Lack of guidance on encounter reporting expectations, rules, code changes and lack of feedback on submissions up and down the encounter data reporting chain
- Limited Incentives:** Lack of incentives for reporting complete, accurate and timely encounter data, especially for delegated provider entities; where incentives exist, enhanced payments can be difficult for submitters to reconcile with specific “point-of-submission” actions
- Lack of Traceability:** Inability to trace problems with data loss, incompleteness and quality to the source of the issue restricts ability to resolve problems



Governance

Establish data and program governance to coordinate and prioritize improvement initiatives, oversee changes to standards, policies and processes, and support communication and collaboration



Data Standardization

Establish and update standardized encounter data code sets, specifications, and vocabularies to improve data quality, completeness and timeliness



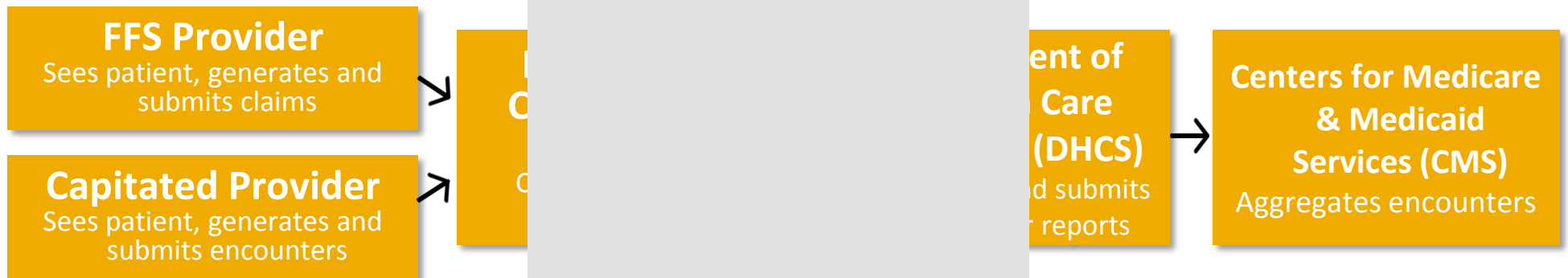
Technology and Technical Assistance

Adopt and utilize technological infrastructure, technical assistance programs, and processes to improve encounter data reporting; educate providers on the importance of encounter data

Appendices

What is Encounter Data?

Encounter data is claims and clinical information about services provided in capitated, managed care arrangements, typically used to track quality, utilization, and costs.

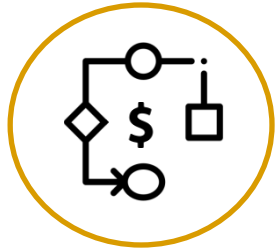


Encounter data are used to:

- Set and risk-adjust capitation payments for managed care plans and providers
- Calculate HEDIS and other quality metrics
- Measure service utilization and costs
- Analyze population health trends
- Ensure transparency of services provided to beneficiaries

82%
of Medi-Cal enrollees are covered under a Medi-Cal Managed Care Plan

on w/ Medi-Cal Managed Care
"ask" Managed Care Health Plans*
ndent MSOs
nghouses in the market
ousands of Medi-Cal providers
e over 300 delegated groups in CA



Governance

Establish data and program governance to coordinate and prioritize improvement initiatives, oversee changes to standards, policies and processes, and support communication and collaboration

Hypotheses: Establishing a governance body is necessary in order to...

1. Oversee, coordinate and prioritize outreach, education and training initiatives to improve encounter data processes up and down the encounter data chain
2. Identify and address “hot spots” where encounter data reporting issues are occurring
3. Identify and secure funding for encounter data improvement initiatives
4. Oversee and align changes to standards, specification and companion documents with upstream requirements and expectations
5. Develop encounter data reporting policies and best practices
6. Communicate data standard and reporting requirement and policy updates to provider organizations, intermediaries, plans and the DHCS
7. Oversee and coordinate technology improvements and guidelines for provider organizations and MCPs systems
8. Establish incentive programs to reward encounter data reporting performance



Data Standardization

Establish and update standardized encounter data code sets, specifications, and vocabularies to improve data quality, completeness and timeliness

Hypotheses: A collaborative approach to creating greater standardization must have the following components in order to improve encounter data reporting:

1. More highly specified 837 specifications with clear companion guides, standard taxonomies and coding cross-walks (as needed), in alignment with CMS and DHCS requirements
2. Policies describing nature, timing and changes to code sets and specifications
3. Clear, timely and up to date guidance from DHCS and MCPs around encounter data submission expectations including frequency, accuracy, completeness and data quality other thresholds
4. Processes to coordinate and communicate timing for implementing changes that cascade from DHCS to MCPs and provider entities
5. Support for necessary provider EHR and billing system changes



Technology and Technical Assistance

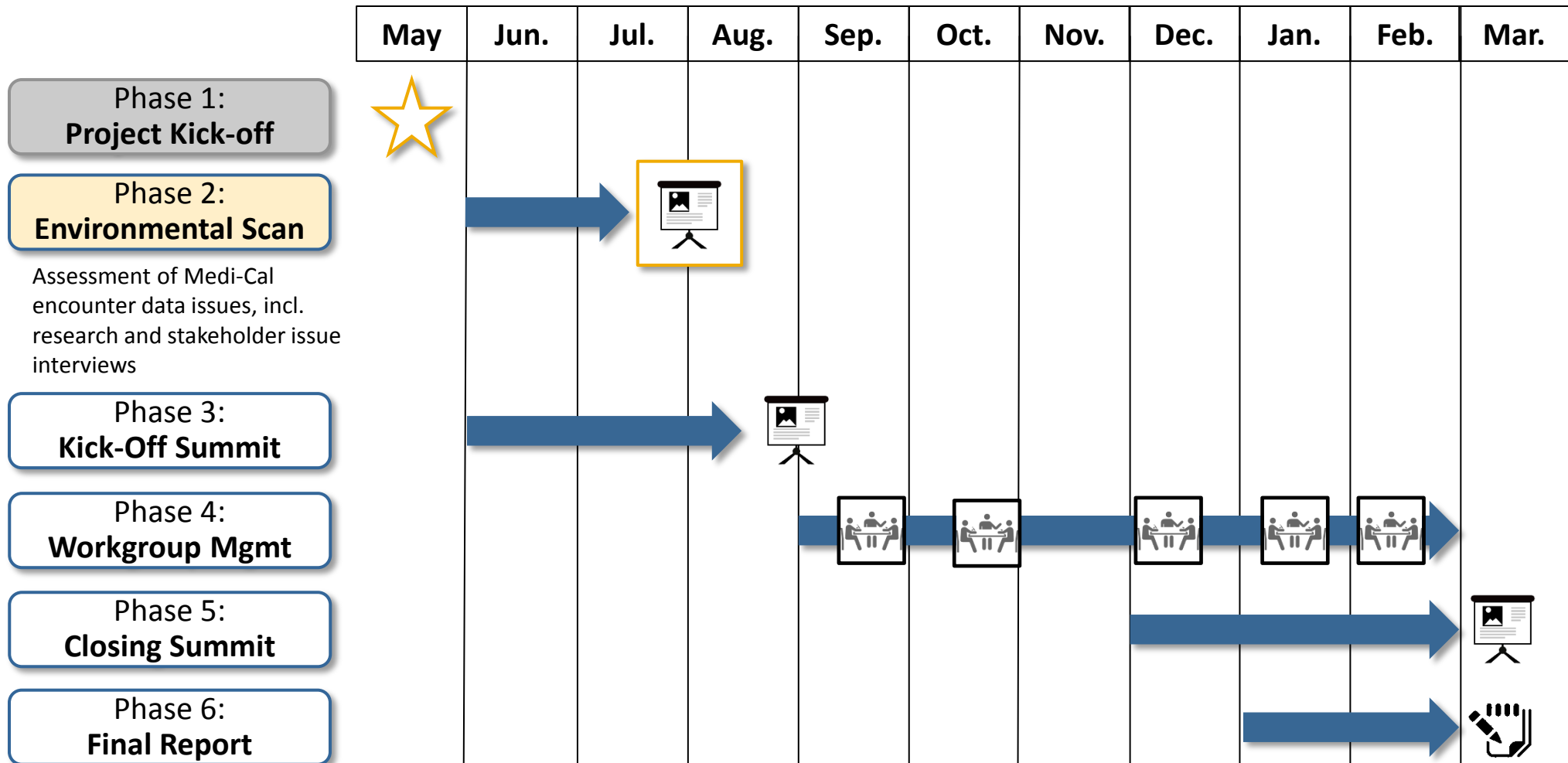
Adopt and understand how to utilize technological infrastructure, programs, and processes to improve encounter data reporting; educate providers on the importance of encounter data

Hypotheses: A technology and technical assistance program designed to improve encounter data reporting must have the following elements:

1. Education for providers on what an “encounter” is, how it is used, and why it is important
2. Processes for identifying needs and effective technical assistance programs
3. Deployment and funding of structured, targeted and tailored technical assistance and training programs to provider entities and MCPs most in need
4. EHR and practice management system affinity groups to share best practices, standardize approaches and coordinate vendor system changes and requests
5. Coordinated technology improvement initiatives for provider entities and plans

Encounter Data Improvement Program Overview

Health Net's CII Program has developed a multi-phase, multi-year investment opportunity for the Encounter Data Improvement Program.



Current State Research

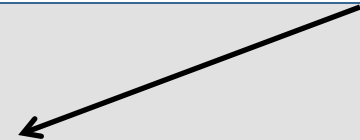
Stakeholder Interviews

To engage stakeholders across the continuum of care, including:

- Clearinghouses
- Managed Care Organizations
- Managed Service Organizations
- Providers/IPAs/Clinics
- State Agencies

Assessment

Encounter Data Summit
a year-long multi-
phase project to
improve encounter data
collection and reporting
processes



Provider/IPA/Clinic

Adventist Health

America's Physician Groups

California Association of Public Hospitals & Health Systems

California Hospital Association

California Medical Association

California Primary Care Association

Community Health Center Network

Heritage Provider Network

Juan Silva

Northeast Medical Services

Walton Pediatrics

State Agency

California Department of Health Care Services

California Department of Managed Care

Managed Services Organization

MedPOINT Management

Commercial Insurer

Anthem

Health Net

Managed Care Organization

California Association of Health Plans

Inland Empire Health Plan

LA Care

Partnership Health Plan of California

Research Organization

Harder + Company

Integrated Healthcare Association

Clearinghouse

TransUnion

**Interviews are ongoing and expected to be completed by mid-August 2019.*

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