Encounter Data Work Group
Summary Notes for
PACE Organizations:
Key Findings and Recommendations

PACE Organizations

Work Group 1 of 2

This report summarizes the findings of the PACE Encounter Data Work Group conducted on January 26, 2011. Sixty organizations participated in this Work Group and included:

- Alexian Brothers Community Services
- Amarillo Multiservice Center for the Aging
- ArchCare
- ARDX
- Bienvivir Senior Health Services
- Brand New Day
- Care Resources
- Catholic Health LIFE
- Center For Elders Independence
- Center for Senior Independence
- CentraCare
- Cherokee Elder Care
- CMS
- Comprehensive Senior
- CSSC Operations
- Elder Service Plan of Cambridge Health Alliance
- Elder Service Plan of Harbor Health Services
- Elder Service Plan of the North Shore
- Florida PACE Centers
- Franciscan PACE, Baton Rouge
- Henry Ford Health System, Center for Senior Independence
- Hopkins ElderPlus
- IMPAQ International
- Independent Living for Seniors
- LIFE at Lourdes
- LIFE Beaver County
- Life Path PACE
- LIFE Pittsburgh
- LIFE St. Francis
- LIFE UPenn
- Lutheran Senior LIFE at Jersey City
- Mercy LIFE
- Mountain Empire PACE
- National PACE Association
- Neighborly Care Network
- NewCourtland LIFE
- Northland PACE
- On Lok Senior Health Services
- Orange County Health Authority
- PACE CNY
- PACE Greater New Orleans
- Pace Organization of Rhode Island
- PACE ORGANIZATION OF RHODE ISLAND
- PACE Organization of Rhode Island
- Palmetto Senior Care
- Peak PACE Solutions
- Pennsylvania PACE, Inc.
- Pittsburgh Care Partners
- Providence ElderPlace
- Riverside Retirement Services
- Senior Care Connection
- Senior LIFE
- Senior Link

- Summit ElderCare
- Total Community Care
- Total Longterm Care
- Total Senior Care, Inc.
- TriHealth SeniorLink
- Upham's Elder Service Plan

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 included:
- Identification of PACE specific rules, guidelines, and capabilities in the collection of encounter data,
- Transition solutions for PACE plans using the 5010 format and diagnosis and CPT coding, and
- PACE abilities to collect, submit, and store encounter data.

The expected discussion topics for this session were:
- PACE organizations' broader range of services provided to beneficiaries than typical Medicare Advantage plans.
- PACE organizations' experience with fee-for-service data.
- PACE organizations' capacity to support encounter data collection and reporting, and the impact to PACE IT infrastructures.

The first session of the PACE Organizations Work Group focused on addressing challenges and concerns regarding implementation of encounter data collection in PACE Organizations and identification of possible solutions for these challenges.

Introduction and Review of the Encounter Data Collection Process

Before opening the forum for discussion a review of the encounter data process, located in the fact sheet sent to participants prior to the work group, was described. The following were the primary focus points during the review:
- The primary purpose of the collection of encounter data is to recalibrate the Risk Adjustment (RA) models based on Medicare Advantage (MA) beneficiary health care utilization data. Medicare FFS pricing of the encounters will be used because MA payments to providers will not be available. The utilization patterns of MA enrollees will be captured in a model calibrated on encounter data.
- By January 2012, encounter data collection will be fully implemented. Encounter Data System (EDS) will run in parallel with the RAPS system for a period of time until the quality of data in EDS is validated and pricing methods can be analyzed.
- The flow of the encounter data follows this process:
  - Plans will submit encounter data using the Washington Publishing Company (WPC) compliant 5010 X12 format (837-I, 837-P, and possibly the 837-D).

- A TA1 report will be returned to the plan if a fatal error occurs during front-end processing.
- If a submitted claim is rejected and cannot continue processing, the plan will receive a 999-R report. If the claim submitted is accepted and continues through the processing system, the plan will receive a 999-E report.
- The claim will process through the CEM/CEDI module edits in the Encounter Data Front-End System.
- The plan will receive a 277CA report displaying the status of claims submitted (accepted or rejected).
- Following EDFES processing, 837-I, 837-P, and possibly 837-D will process through the PRICERs in which content validation edits will be applied.

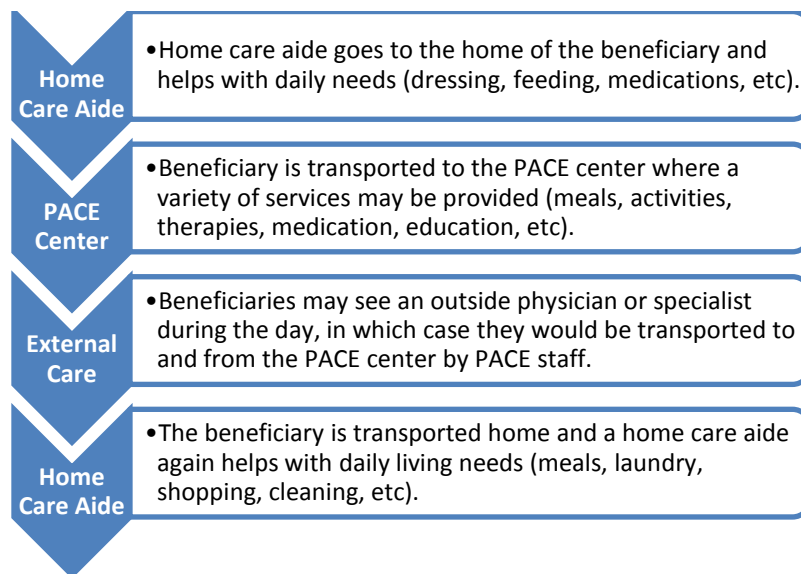## Range of Services for PACE Organizations

PACE organizations are based primarily on staff model plans. Services offered through PACE plans are significantly different from services commonly offered through standard Medicare Advantage (MA) plans. The following are issues/concerns discussed by work group participants regarding the PACE plan services, as well as, recommendations made during the work group that will assist PACE organizations in the transition to collection of encounter data.

PACE Plan Services

- The focus of PACE is preventative, high quality, holistic care as opposed to episodic care which addresses health issues as they arise.
- PACE plans offer a broad range of services inclusive of all Medicaid and Medicare services not provided by traditional Medicare or Medicaid plans (community and institutional services, counseling, nutrition services, home health care, transportation, etc.).
  - An example of services provided on a typical day for a PACE plan beneficiary is displayed in Figure 1 below.
    - Administrative coordination (such as social work services) is conducted daily to maintain individual care plans.
- Many services are provided through salaried staff and are not coded or accounted for through normal claims submission processes (i.e., use of HCPCS/CPT or diagnosis codes).
  - Pricing methods currently in use in FFS do not describe the services provided by PACE and are not covered through traditional MA plans.
- Home health care, personal care, and skilled nursing care services, which are provided at a PACE center, do not qualify as approved data sources or types of service for MA plans.
- Providers do not utilize the current CPT coding system.
  - Many services provided through PACE plans do not fit under the rules for the current CPT coding system.
  - CPT codes are episodic problem-focused and many PACE services are bundled into overall practice expenses.
- PACE provides coordinated and integrated care across Medicare and Medicaid. There is not a defined boundary between which government program is providing financial reimbursement.
  - A single encounter may encompass several different kinds of services, some of which may be covered by traditional Medicare and some are not.

     o   For encounter data collection, staff of PACE plans will need to stop the care they provide in order to distinguish if each service provided falls into Medicare, Medicaid, or another category, and then code these services appropriately.

Figure 1: Example of a typical day for a beneficiary enrolled in a PACE program.

Home Care Aide
- Home care aide goes to the home of the beneficiary and helps with daily needs (dressing, feeding, medications, etc).

PACE Center
- Beneficiary is transported to the PACE center where a variety of services may be provided (meals, activities, therapies, medication, education, etc).

External Care
- Beneficiaries may see an outside physician or specialist during the day, in which case they would be transported to and from the PACE center by PACE staff.

Home Care Aide
- The beneficiary is transported home and a home care aide again helps with daily living needs (meals, laundry, shopping, cleaning, etc).

Current Billing and Tracking Processes

Many services, such as home care aide services (including meal servings, laundry, and other daily living services), are billed under a capitated rate and are not billed separately. Providers and hospitals bill PACE plans for services provided by using invoices. Manual billing is conducted for external providers whereby information is extracted from claims received using a spreadsheet or DDE, which is then used to transmit data. Encounters with PACE staff are recorded in medical records but are not coded using CPT. PACE services are interdisciplinary and include consultation between providers, community organizations, and contractors to create full time individualized plans of care for beneficiaries. Some PACE organizations use Electronic Health Record (EHR) systems to collect/submit service data, however EHRs do not allow coding of PACE services. Encounters are currently documented by the number of encounters each discipline has with participants each month.

Capability of PACE Plans to Support Encounter Data Collection and Reporting

The following are issues and concerns identified by participants regarding the capability of PACE organizations to successfully implement the collection of encounter data including infrastructure challenges, adherence to the original encounter data implementation timeline, CPT/HCPCS coding issues, and the significance of data collected and submitted.

Current PACE Infrastructures

Issues Identified:

Many PACE organizations do not have the products and system capabilities to submit and receive encounter data formats.
- Financially, many of the products and system modifications necessary for implementation of encounter data collection are out of reach for PACE organizations.
- Obtaining these products and modifying current system processes would cost significant sums of money and would be an economic burden to price services provided.

The size and capability of PACE organizations is diverse and many would not be able to obtain the resources or products needed for implementation.
- Some PACE organizations receive bills in a paper form and manually write checks for payment of services and some organizations have established IT systems.
- Many providers do not opt for electronic systems and submit mostly paper claims.
- Participants expressed significant manpower needed to implement encounter data collection and code PACE services.
  - o Participant stated using an EMR to collect encounters and a team of 10 members was needed solely for system implementation of encounter data collection.

Few PACE organizations have hired third party submitters to assist in submitting/receiving 5010 data for encounter data collection.
- 5010 encounters received would process through a third party submitter.
- The third party submitter would extract the data and send back to the PACE organization for submission to CMS.

Participants' Recommendations:
- CMS to assist PACE organizations in obtaining products/software or data collection tools necessary for encounter data submission and processing.
  - o In the past, CMS provided software/product support for Long Term Institutional (LTI) homes when introducing the collection of data for the Minimum Dataset (MDS).
- Continue the RAPS system for PACE organization use only.

Adherence to the Encounter Data Timeline

Issues Identified:

Encounter data collection and submission may be possible for some services provided by PACE plans (like diagnostic services). However, it may be impossible for some services to ever be collected, coded, and submitted through the Encounter Data System (EDS) due to CPT coding issues and inability to price. It will be hard for many PACE organizations to meet the scheduled deadlines for encounter data collection (EDFES testing, etc.) due to the significant differences in systems processing and financial burden.

Participants' Recommendations:
- Use the 837-I, 837-P, and 837-D to submit diagnostic data only.

- o CMS would include a field to flag PACE specific claims on the 837 formats and turn off specific edits unnecessary for submission of diagnostic services.
  - o RAPS diagnostic data could be mapped to appropriate 5010 fields more readily.
  - o Coding and the submission of internal services in the PACE center would still be an issue as these services are received on paper claims.
- Delay the encounter data timeline for PACE organizations.
- Participants suggested specific training modules for PACE, similar to training methods used in the submission of the RAPS format to the RAPS system.
  - o Training will be conducted starting in June 2011.
  - o Training modules specific to PACE will more than likely be presented.
- Conduct a long-term study of the PACE model to identify needed components for encounter data pricing.

CPT/HCPCS Coding

Issues Identified:

PACE organizations do not have expertise in CPT or HCPCs coding. One technologically developed PACE organization reported hiring consultants to assign codes to PACE services. However, an issue remains of how to denote services that do not map to certain codes.

Participants' Recommendations:

- Create a customized coding system for PACE specific services.
  - o An issue would remain for pricing of these services as some are paid by capitated rate.
  - o This would cause an enhanced administrative burden for staff.

Significance of PACE Service Data on Encounter Data Collection Goals

Issues Identified:

Due to the small percentage of PACE programs and the limited number of beneficiaries per program, data collected from PACE organizations may have no affect on the goals for collecting encounter data.

- Collecting encounter data on some PACE services and not others may affect the accuracy of recalibrating the model.
- Utilization of the standard Medicare covered services may be lower for beneficiaries enrolled in MA plans as opposed to beneficiaries in a PACE program since PACE focuses on preventative care. Due to this, the true cost of care may not be captured.
- The encounter data collection processes do not seem to support the logic of PACE which is providing integrated health care services.

Participants' Recommendations:

- Evaluate the percentage of beneficiaries enrolled in PACE plans to determine if collection of encounter data (data other than what is required by RAPS) is necessary for PACE organizations.
  - o RAPS will no longer be functional following completion of EDS testing and parallel processing; and PACE plans will have to submit information through EDS once RAPS is no longer functional.

Additional Questions Addressed Throughout the Work Group

The following are additional questions addressed by participants during the PACE Organizations Work Group.

Questions asked by Participants

Q1: If edits are relaxed on the 837 for PACE plans, does this mean that services would not have to be CPT coded?
A1: CMS is evaluating the data necessary for a PACE encounter. Should CMS determine a data element is not necessary, then those edits would be relaxed.

Q2: Is it possible for CMS to leave the RAPS system in place for PACE organizations to use since it's a smaller population?
A2: There are agency costs to running dual systems long term. The forecast right now is for the Encounter Data System (EDS) to replace the RAPS system once testing has been validated and completed.

Q3: When will CMS decide what the expectations are for PACE organizations regarding the front-end testing scheduled to start March 30, 2011?
A3: This topic will be discussed during the next encounter data processing meeting on February 3, 2011. CMS will inform PACE organizations of the decision made by February 10, 2011.

Q4: If the 837 is used, will the number of diagnosis codes be limited after RAPS system is no longer in place?
A4: The total number of diagnosis codes submitted will not be limited. The 5010 will allow 12 diagnosis codes for professional encounters and 25 diagnosis codes for institutional encounters to be documented, however, if more codes need to be added plans may just submit the additional codes on a separate claim.

Q5: Encounter data requires face-to-face interactions for coding. Will that requirement be relaxed for PACE organizations?
A5: CMS is currently evaluating PACE policies.

Q6: If the pricing methodology is being created, has CMS considered utilizing work groups to identify the various elements that would go into pricing methodology (Basing recalibration of the RA model on CPT codes for an industry that is paid based on diagnosis codes may lead to an under reporting of costs)?
A6: CMS will explore this option.

Q7: Is it possible to build the pricing methodology based on diagnosis codes (If not, the MA industry will need time to adapt to collecting and reporting CPT codes)?
A7: As of right now, CMS does not plan to change the risk score calculation methodology.

Q8: What data elements does CMS need from PACE organizations other than ICD-9 codes?
A8: As of right now, all data elements will be required.

Q9: PACE organizations focus on preventing re-hospitalizations with an average of 20 inpatient claims per month in a population of 400. Is processing going to be based on quality of care and prevention of re-hospitalizations or will organizations be penalized for having fewer inpatient claims?
A9: Pricing will be based on Fee-For-Service pricing methodology.

Q10: Where can the Encounter Data Report layout be located?
A10: The Encounter Data report layouts can be located on the Washington Publishing Company (WPC) website at http://www.wpc-edi.com/content/view/817/1.

Q11: Where should future PACE/Encounter Data questions be directed?
A11: Please submit any future questions to eds@ardx.net.

Key Conclusions and Recommendations for Encounter Data PACE Organizations Work Group

Based on the information discussed in the PACE Organizations Work Group held on January 26, 2011, the following recommendations are provided to CMS to ensure successful implementation of the collection of encounter data.

Recommendations

- As a first step, it was recommended that a long-term study of the services offered by PACE organizations be conducted to identify the components necessary for encounter data pricing.
- Participants recommended that CMS extend the initial encounter data deadlines for PACE organizations based on progress and significant impact on IT infrastructures.
- Participants expressed the need for assistance in obtaining necessary software/products for submission of encounter data.
- Participants recommended the submission of only diagnostic information through the 837-I and 837-P and relaxing edits related to additional health care services provided.
- Participants expressed the need for extensive training on the Encounter Data System (EDS) and coding system requirements.

Action Items and information needed from Participants

The next Encounter Data Work Group for PACE organizations will be held on April 27, 2011. Work group participants should send any additional comments or solution possibilities regarding encounter data collection in PACE organizations to eds@ardx.net.

CMS will update work group participants regarding the decision to exclude PACE organizations from the initial Encounter Data Front-End System (EDFES) testing phase scheduled from March 30, 2011 through June 30, 2011 by February 10, 2011.