



Industry Update Summary Report

Industry Update 1 of 3 Sessions

The primary purpose of this industry update is to provide information to MAOs, PDPs, and Third Party submitters regarding the progress of encounter data implementation and updates to risk adjustment payment.

Executive Summary

CMS conducted an hour and a half (1.5) long Industry Update on January 19, 2011, for Medicare Advantage Organizations (MAOs), Prescription Drug Plans (PDPs), and Third Party Submitters to provide information about the progress of encounter data implementation and updates to risk adjustment payment. A question and answer (QA) session was held following each topic addressed. There were 175 participants that attended the Industry Update. This was the first of three (3) Industry Update sessions.

Encounter Data

Requirements Updates

During the Encounter Data National Meeting held in October 2010, MA Organizations were provided with the Top Ten Requirements for implementation of Encounter Data. The following reflects changes to those requirements since the National Meeting.

Requirement 1:

Testing of the Encounter Data Front-End System (EDFES) is scheduled for March 30, 2011 through June 30, 2011. Prior to sending test files to the EDFES, MA organizations are required to submit a new submitter packet and enter into an Encounter Data EDI Agreement with the Customer Service and Support Center (CSSC) prior to March 30, 2011. Submitter packets will be posted to the CSSC website (www.csscooperations.com) no later than March 15, 2011. Plans or third party submitters must provide this information to CSSC.

Requirement 2:

All new and existing plans and/or third party submitters must also establish connectivity through an approved CMS connection in order to transmit 5010 X12 encounter data transaction files to the EDFES. There are four CMS approved methods for connection:

- Connect:Direct (NDM),
- Secure File Transfer Protocol (SFTP),
- Hypertext Transfer Protocol Secure (HTTPS), and
- Gentran.

Requirement 3:

MA Organizations are expected to submit only adjudicated claims (paid or denied) that follow an adjudication process. Capitated or Staff Model organizations should submit claims with "0.00"

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populated in the paid amount fields of the 5010, if pricing data is not available. Plans should not submit "pending" encounters.

Requirement 4:

MA Organizations are required to submit encounter data on a monthly basis. Plans may submit data more frequently, but the minimum requirement is monthly.

Requirement 5:

MA Organizations must submit data within 12 months of the date of service based on compliance with Patient Protection and Affordable Care Act (PPACA) standards.

<http://www.cms.gov/MLN MattersArticles/downloads/MM6960.pdf>

Requirement 6:

The 5010 Errata version will be used by MA organizations for HIPAA compliance per the Federal Register (Vol. 75, No. 197, October 13, 2010, 62684-62686 [2010-25684]). A list of the 5010 Errata can be located at http://www.cms.gov/Versions5010andD0/70_Medicare_Fee-For-Service_Systems.asp#TopOfPage.

Requirement 7:

Encounter Data Systems will accept Institutional (837-I), Professional (837-P), and Dental (837-D) 5010 X12 formats. The 276 format will also be accepted as an optional claim status inquiry transaction to determine the status of a claim. Plans who submit a 276 will receive a 277A in response to the transaction.

Requirement 8:

Plans are required to submit all data from all types of service and should not filter data prior to submission. CMS is developing a report to inform plans of data used for Encounter Data versus data used for Risk Adjustment.

Requirement 9:

MA Organizations must submit data by 8 p.m. EST for that day. This allows for submission of data from the West Coast.

Requirement 10:

MA organizations will submit Institutional and Professional test files to the EDFES by June 2011 and to the Encounter Data Processing and Pricing System by October 2011. Test Certification for claims must be received by November 2011. Plans should not filter DME claims prior to submission to CMS; however, claims submitted will be stored until the Encounter Data DME Processing and Pricing System is implemented in 2012.

Pilot Testing

Six plans were recruited to participate in an Encounter Data (ED) Pilot Test. A pilot test package was sent to selected participants by January 21, 2011. CMS will receive data from these submitters/plans to determine information that will be accepted during processing and identify issues prior to the front-end testing, beginning in March 2011. Plans participating in the pilot test will submit ten encounter claims: one (1) Inpatient Institutional, one (1) Outpatient Institutional, one (1) Professional, and the remaining seven (7) include any combination of the above. Data from the pilot test will help CMS determine edits

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to turn on or off for further testing of the Encounter Data Front-End System (EDFES). CMS will publish information learned from the pilot before testing of the EDFES.

Goals of Testing

The goal of industry testing of the EDFES is to successfully submit data through the Commercial Off The Shelf (COTS) translator.

The goal of industry testing of the EDPS is to ensure accurate pricing of encounters according to Fee-for-Service rules so that all priced data can be used for Risk Adjustment model calibration for plan payment.

Encounter Data Work Groups

Three encounter data work groups have been conducted thus far: Third Party Submitters, Chart Reviews and Data Submission for Chart Audits, and Editing and Reporting. MA organizations should review summary notes from the work groups posted at www.tarsc.info to view detailed discussion points and information regarding Encounter Data implementation.

The Third Party Submitters Work Group was conducted on December 8, 2010, and included discussions regarding challenges MA organizations face in transitioning to Encounter Data collection. Issues identified were submission of paper claims data, use of the National Provider Identification (NPI), and use of EMRs that limit the number of diagnosis codes for processing.

The Chart Reviews and Data Submission for Chart Audits Work Group was conducted on December 15, 2010, and included discussions about processes MA organizations currently use to collect and submit Chart Review Data, options for encounter data submission of Chart Review Data (with leading option to use the PWK01 Segment Report Type Code), and identification of Chart Review Data in the reporting process.

The Editing and Reporting Work Group conducted on January 12, 2011, included discussions on the front-end system reports MA organizations will receive following submission of encounter data. Plans will receive four (4) different types of EDFES reports: TA1, 999R, 999E, and 277CA.

Risk Adjustment

Submission Schedule Update

The risk adjustment 2011 submission schedule was discussed during the Industry Update. The final reconciliation deadline for submission of claims with dates of service in 2009 is January 31, 2011. MA organizations must submit claims with 2009 dates of service by this date for inclusion in the 2010 final payment.