

Optum Advisory Services

Improving encounter data quality and completeness for Medicaid and Medicare health plans



Medicaid and Medicare plans of all sizes must retain and grow their business while competing with increasingly complex regulations and cost pressures. However, many health plans are unable to consistently track and analyze data, monitor processes for optimization, and keep up with state regulatory changes.

Previous studies identified an average gap of 25–27% between inpatient days and encounter data records for Medicare beneficiaries.¹ That means many plans underperform in relation to encounter data accuracy and quality. Optum has been able to help clients improve encounter data submission by 90% or greater. Financial benefits will vary from health plan to health plan depending on several factors (e.g., fee-for-service or capitated reimbursements).

Why is encounter data important?

CMS and state Medicaid agencies have the authority to impose corrective action requirements. These can be administrative or financial sanctions for non-compliance in submitting complete and accurate encounter data. The Medicare Payment Advisory Commission (MedPAC) provided its annual report to Congress in June 2019. One of MedPAC's recommendations regarding CMS' handling of encounter data is to withhold a portion of the plans' payments to incentivize more accurate submissions. CMS and state Medicaid agencies rely on the completeness, accuracy and quality of encounter data submissions from their managed care organizations (MCO) or contracted health plans to:

- Monitor and improve quality of care
- Generate accurate reliable reports
- Establish performance measure rates
- Obtain utilization and cost information
- Validate or set capitation rates
- Prepare for value-based payments

1. Medicare Payment Advisory Commission (MedPAC). "Report to Congress: Medicare and the Health Care Delivery System. June 2019.



Key questions leaders are asking themselves today

Data accuracy:

- How do I ensure the encounter data I submit fully represents the level of service given by my providers?
- How do I collaborate with providers to ensure claims and encounter data submissions are timely, complete and accurate?

Process and quality optimization:

- How do I determine the root cause of incorrect and/or incomplete encounter data?
- How do I define the metrics I need to understand how I'm performing? How do I measure those metrics? How do I proactively address issues and areas of opportunity?

Regulatory compliance:

- How do I interpret new state and/or federal regulations?
- How do I make sure I am prepared for potential state audits/reviews?



A growing challenge

Changes in care and payment models will impact health plan encounter reporting to CMS state Medicaid agencies.

- CMS is pushing for better integration between Medicaid and Medicare for the dual eligible population with new payment methodologies.
- Value-based payments to providers allows states to encourage providers to meet beneficiaries' social needs in addition to medical needs.
- Methods to address social determinants of health will vary by geography requiring flexibility in reporting.
- Meaningful measure initiatives will introduce new quality measures to track.



Top obstacles to overcome

Factors contributing to a health plan's inability to submit complete, timely and accurate encounter data include:

- Inadequate education and training on the data submission process at the clinic level
- EHR and practice management systems create technological challenges that can lead to significant barriers with the submission process
- Insufficient quality control and auditing within provider organizations
- Provider organization confusion about handling encounter data rejections from health plans and clearinghouses
- Poor communication among all parties involved in the submission process
- Lack of standardization, specifically around coding

Optimizing the encounter process

Each membership population has unique characteristics and every health plan has unique methods of communicating with providers, including processes and systems. As a result opportunities to improve encounter data are not a one-size-fits-all solution. Improvement requires individuals with expertise using a proven assessment framework to help ensure encounter data is complete and accurate.

Optum® Advisory Services transforms the industry through the knowledge and expertise of our staff and the breadth of Optum products and services. Each engagement starts with an assessment against industry norms and analysis for root causes of variances. We then bring a set of acceleration tools and methodologies to quickly target the gaps in the encounter process for remediation. Our deliverables include denial reasons, root causes findings and action plans. We also can guide you through establishing a PMO and governance structure for continued management and monitoring of the encounter data. This phased approach enables us to develop specific strategies to accelerate claims and encounter remediation for our clients.



Develop a plan for processes, training and governance

A combination of proven consulting frameworks, industry best practices and best-of-breed solutions results in a plan that directly addresses the root causes of underperformance. The health plan's improvement in volume and quality of encounters submitted could potentially increase their enrollment, support their capitation rate, and improve health plan and provider care coordination.

System problems

Example improvements:

- Accurate code sets
- Improve design and reporting capabilities
- Complete files

Process problems

Example improvements:

- Ancillary coding
- Remediation policies
- Reconciliation reporting

Training problems

Example improvements:

- Eligibility processing
- Capitation knowledge
- Coding knowledge



Client case study

Encounter submission assessment and remediation



Optum was engaged by a large Medicaid health plan to identify and recommend corrective actions to increase the number of encounters submitted by a specific provider group. These encounters needed to meet the state of California's standards for completeness, accuracy, reasonableness and timeliness. The client needed to identify and recommend corrective actions and implement solutions within 10 months to meet state-mandated Medicaid timelines.

Our solution

Assess, develop a solution, remediate

We performed a holistic business and technical assessment of the provider's existing encounter submission process. This included department roles and responsibilities, business process workflows, technical flows, and interviews with clinicians and representatives from registration, finance and IT operations. We also provided a detailed project plan and a remediation action plan, governance structure and program management office tools and processes.

Solution development and project management

We completed detailed solution documentation for the top five issues and a roadmap. We also performed the following:

- Redesigned and remediated the top data warehouse issues
- Built a data governance structure that reduced risks by providing line of sight to overall team and business sponsors
- Performed an enterprise wide QA assessment and recommendations in an effort to improve quality processes
- Identified 20 major findings, categorized into configuration and workflow, technical implementation and training issues

Results

- Established governance structure that enabled the client to focus on continued management of ongoing initiatives
- Encounter submission volumes increased by 140% over a 12-month period, from January to December.

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Client case study Encounters submission plus enhanced payment program



Optum was engaged by a Los Angeles County health plan to identify, recommend and implement corrective actions to increase the number of encounters submitted by their managed care organization and two of its health plans. Encounter data submission was below benchmark average and incomplete for this provider group and its partner health plans.

Our solution

Assessment to identify and remediate claims and encounter processing issues

Developed and managed a process to remediate claims and encounter processing issues identified during the assessment phase. Also developed a tracking tool to manage remediation of individual claims from adjudication to encounter processing and submission to the California Department of Health Care Services (DHCS).

Solution development

Develop tools that include requirements and solution documents, work plan (high level), remediation action plan (detailed), war room infrastructure, extended payment plan financial impact and remediation metrics and dashboards. Also assisted with the submission of complete and accurate claims to the health plan and DHCS.

Workgroup to remediate encounter issues

Executed a fee-for-service remediation effort to adjudicate rejected and unbilled claims. Established a governance structure and managed work stream comprised of multiple entities.

Results

- 74% of corrected encounters submitted to the health plan and DHCS. Remaining encounter issues have been aligned to organization's long-term strategy.
- 100% of fee-for-service rejected and denied claims were reprocessed and encounters submitted.



Develop tools that include:

- Requirements and solution documents
- Work plan, remediation action plan, war room infrastructure, EPP financial impact
- Remediation metrics and dashboards

Hardwire your performance improvements with Optum encounter capture, processing and reporting services

Optum Advisory Services knows the encounter data management process and can make it work for both provider and health plan organizations. We deliver a holistic business and technical assessment of the health plan's and provider's existing encounter process. We bring the knowledge and expertise of our staff, and the breadth of Optum products and services. Collectively this helps health plans and providers reduce medical and administrative costs, enhance revenue and optimize margins through modern processes, flexible scale and competitive advantage.

Meet our experts and learn how we can help you address your biggest challenges



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