It has now become mission-critical for state Medicaid agencies (SMAs) to ensure they are receiving complete and accurate encounter data submissions from their health plan partners so that they, in turn, can provide this information to CMS. The driving forces behind this requirement for complete and accurate data can be categorized into four aspects:

- **Federal funding (based on actual costs)** – Per capita caps limit the funding by the federal government

- **Risk-adjusted payments for managed Medicaid health plans (MCOs)** – Risk adjusted payments are now the standard for publicly financed and subsidized health insurance programs

- **States are increasingly relying on managed care’s proven model to enroll more complex populations** – Those needing long term care services and those with mental disabilities

- **Rapid growth in ACOs in state Medicaid markets** – Nine state Medicaid programs that operate ACO models (Colorado, Massachusetts, Iowa, Maine, Minnesota, New Jersey, Oregon, Utah, and Vermont)

The most important change, however, is that federal payments for Medicaid managed care is tied to the submission of accurate, complete, and timely encounter data to CMS in a CMS-specified format, likely T-MSIS.

The challenges facing states are multi-fold and must be solved for in order to meet the requirements of the forces previously noted. First, states historically have struggled to collect complete and accurate encounter data from managed care health plans and to manage that data efficiently and effectively.

Secondly, as states move to enroll more complex populations into managed care plans, the use of existing diagnostic-based risk adjusters may not be sufficient to adjust for variations among plans. Unlike Medicare Advantage risk adjustment, states don’t give MCOs multiple opportunities to improve the completeness of encounter data.

Finally, the new Medicaid rules requires states and plans to meet stronger data submission and reporting requirements. Quality data must support program oversight, program integrity, and increased transparency. As such, many states and managed care plans will likely need to increase their data collection and analytics capabilities to comply with the new rule. From a submission standpoint specifically, there are a handful of factors at play that must be understood:
Medicaid states typically rely on encounter data submissions from MCOs.

Medicaid states typically do not allow retrospective medical record reviews to correct data.

There are no benchmarks to baseline accuracy and reasonability and accuracy of data yet states are beginning to apply sanctions upon MCOs that do not submit complete data. For example, the state of California recently penalized an MCO $2.5M for providing incomplete and inaccurate encounter data.

So, what’s the remediation and process improvement plan for state Medicaid agencies? It begins with a comprehensive encounter lifecycle management designed and built to handle the current complexities of Medicaid encounter submissions yet flexible enough to fluidly address future requirements. Edifecs Encounter Management delivers that and more.
Why Edifecs

1. **Enhance encounter submission performance**
   Edifecs is the market leader in managing and maintaining accurate, compliant and timely encounter data submissions for managed Medicaid, Medicare Advantage, dual eligible and the Marketplace from a single system.

2. **Ensure Compliance (T-MSIS data submission and reconciliation)**
   Ensure that the data required for T-MSIS is captured and stored according to CMS specifications for all types of data - inpatient, long-term care, outpatient, and pharmacy data.

3. **Streamline the management of the T-MSIS updates to data dictionaries**
   Out of the box product delivers updated T-MSIS data dictionary standards. Manage and update MCO encounter data submission requirements to ensure new T-MSIS required data is captured and edits in place for inaccurate data submissions.

4. **Leverage market-validated technology**
   Edifecs solutions used by 70% (35 out of 53) of state Medicaid agencies for managing compliance and code standards, clinical data ingestion, EDI transmission and visibility.

Capabilities

Edifecs Encounter Management provides a flexible and scalable solution that maximizes encounter accuracy, streamlines encounter management workflows while reducing administrative and IT costs.

- Deploy a consolidated encounter book of record and manage reconciliation on data submissions from MCOs and T-MSIS.
- Streamline design and implementation of custom business rules and amendment of existing rules to ensure accuracy and completeness of data submissions.
- Leverage prepackaged sets of encounter formats and business rules that are program specific for T-MSIS submission.
- Drive more accurate risk analytics, revenue forecasting and revenue reconciliation.
# Benefits and Features

<table>
<thead>
<tr>
<th>Benefits</th>
<th>Supporting Features</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decrease T-MSIS submission fall outs and associated re-work costs</td>
<td>• Consolidated encounter book of record to ensure complete and accurate tracking and status monitoring of all encounters at MCO level. Pre-built validation rules to ensure data inconsistencies are identified and fixed</td>
</tr>
<tr>
<td>Increase revenue integrity through accurate and complete data submissions</td>
<td>• SLA measurement and analytics for completeness and reasonability</td>
</tr>
<tr>
<td></td>
<td>• Datamart, based on claims and ancillary data sets to identify and correct data gaps and inaccuracies on encounters submitted from MCO (missing HCPCS codes, diagnosis codes etc.)</td>
</tr>
<tr>
<td>Manage state Medicaid encounter book of business</td>
<td>• Single, consolidated system to manage and validate encounter data submissions from MCOs and submissions to T-MSIS</td>
</tr>
<tr>
<td>Reduce total cost of ownership</td>
<td>• Pre-built compliance and business rules and data submission formats for T-MSIS submissions</td>
</tr>
<tr>
<td></td>
<td>• Out of the box management of dictionary changes and data format updates</td>
</tr>
</tbody>
</table>