

protocol will be redundant and should therefore be dropped, reformatted as technical assistance or combined with other protocols to reduce the length and complexity of the protocols.

*Response:* In developing this protocol (as with all the protocols) we instructed our contractor to draw from existing protocols that have been tested and used in the public and private sectors, and that are consistent with current industry practice. The elements contained in the MEDSTAT and HEDIS tools are consistent with other validation processes reviewed, and contain generic activities and steps that include the essential components of a methodologically sound review of encounter data. By requiring protocols that are “consistent with,” rather than “identical,” we believe that we have allowed for State flexibility while ensuring a minimum standard of quality. Since the validation of encounter data is an optional EQR-related activity, States have the option to conduct this activity or not. Consequently, we do not believe this protocol is redundant, needlessly prescriptive, or biased.

*Comment:* One commenter believes this protocol should address State data issues and improvements that may impede the ability of MCOs and PHPs to improve their data quality. These issues include the inability of the State to receive MCO and PHP data, unclear data specifications to MCOs and PHPs, and State policies and procedures.

*Response:* Section 4705(a)(2) of the BBA specifies that EQR be a review of MCOs. Therefore, these protocols focus on MCOs and PIHPs, not on the State. State Medicaid agencies have available to them a variety of approaches that use contractors to strengthen their Medicaid Management Information System (MMIS). Additionally, we have funding opportunities that assist States with improvements to their MMIS. We, therefore, are not modifying this protocol to address State Medicaid agency data issues.

*Comment:* One commenter asked for clarification about the purpose of the chart on page 11, including how the categories were decided upon, and who will calculate the elements.

*Response:* The “Acceptable Error Rates Specifications and Identified Areas of Concern Form,” is meant to serve as an example of a tool that an EQRO can use when assessing rates of accuracy and completeness for each data field. This tool can be used at the State’s or EQRO’s discretion. It may be adapted to meet individual State standards, or a State or EQRO may decide to develop a similar tool. Its

purpose is to illustrate that States need to specify what error rate they will determine to be acceptable for the various types of encounter data to be submitted to them. The categories of “encounter type” were determined by the subcontractor that developed this protocol based on its extensive experience as a contractor to us and State Medicaid agencies on the production, assessment, and improvement of encounter data. The acceptable error rates should be specified by the State.

*Comment:* One commenter recommended against an analysis of mandatory fields (page 16) because these items are generally mandatory and an MCO’s submission would not be accepted if any of the fields were not complete.

*Response:* We do not agree that an MCO’s/PIHP’s submission would not be accepted if any of the fields were not complete. State Medicaid agencies determine the acceptable levels of missing, surplus, or erroneous data. States also determine the standards for encounter data accuracy and completeness, to which encounter data submitted by MCOs and PIHPs will be compared. This protocol recommends that the encounter data validation process analyze and interpret the data in submitted fields to determine if the information is of the type that was requested by the State Medicaid agency, and if the values are valid and reasonable.

*Comment:* One commenter believes that because an MCO does not participate in or control the process of documenting the service in the medical record and subsequent billing that is based upon the medical record, there is no possibility for payor misbehavior.

*Response:* This protocol specifies processes for assessing the completeness and accuracy of encounter data MCOs/PIHPs submit. The protocol references reviews of medical records as an activity that is conducted to verify the accuracy of the automated data submitted, using the medical record as the point of reference. Payor misbehavior is not the issue. The issue addressed by this protocol is the accuracy of the information a provider submits, through the MCO/PIHP to the State, and the extent to which the MCO/PIHP has procedures in place to promote the accuracy and completeness of the data submitted by their providers.

*Comment:* One commenter believes the acceptable error rates form (page 5) is not information that can be assessed during an onsite visit.

*Response:* The Acceptable Error Rate form is a tool that can be used by the

State or EQRO to document whether the MCO/PIHP has exceeded the acceptable error rate for each encounter type, and whether any concerns have been raised that trigger the need for further investigation. The protocol does not specify at what location (State Medicaid agency offices, MCO or PIHP offices, or EQRO offices) compliance with acceptable error rates is to be determined. The location where this form is to be constructed or used is to be determined by the State.

*Comment:* One commenter suggested that the protocol address rejected data.

*Response:* Activity 3, “Analyze Electronic Encounter Data for Completeness and Accuracy,” represents the core of the process the EQRO will use to test the validity of the encounter data. Activity 3 is designed to yield information about the general magnitude of missing encounter data, and should identify problems in the MCO’s/PIHP’s process for compiling and submitting encounter data. Rejected data should be included in the evidence of and reasons for an MCO’s/PIHP’s inability to submit encounter data. Additionally, Appendix Z (Information Systems Capabilities Assessment) asks what happens to the encounter if one or more required fields are missing, incomplete, or invalid.

*Comment:* One commenter suggested that the protocol address additional significant issues in performing data accuracy assessments. The commenter further recommended that it be clear before proceeding if the data are pre- or post-edits and whether they are from the MCO, the State, or from the State’s data warehouse.

*Response:* We do not understand what the commenter is referring to when suggesting that the protocol address additional significant issues in performing accuracy assessments. In response to the second comment, the data that the protocol addresses is MCO/PIHP level data, and where the data resides is unique to each State. The protocol addresses encounter data submitted by the MCO/PIHP to the State. Therefore, the data would include any edits made by the MCO/PIHP. The State will need to identify to the EQRO the extent to which it has performed any edits of the data submitted by the MCO/PIHP.

*Comment:* One commenter suggested that the protocol address benchmark data that can be used to help determine data completeness.

*Response:* The use of benchmarks is discussed in a number of the Steps in Activities 2 and 3. The protocol does not specify exact benchmarks that are to be used because benchmarks should be