Humana | Healthy Horizons™ in Louisiana

Department: Medicaid Administration	**Policy and Procedure No:** MCD-LA-PENC-001
Policy and Procedure Title: Medicaid Encounter Submission	
Process Cycle: Ongoing	**Responsible Departments:** Pharmacy Encounters
Approved By: John Snearly	**Issue Date:** 10/8/2021 **Revised:** 10/31/2022

CONTRACT REFERENCE:

2.1   Contract Transition & Readiness:

2.1.2.6.1   The Contractor will define and test modifications to the Contractor's system(s) required to support the business functions of the Contract. The Contractor will produce data extracts and receive data transfers and transmissions. The Contractor must be able to demonstrate the ability to produce Encounter files.

2.1.2.6.2   If any errors or deficiencies are evident, the Contractor will develop resolution procedures to address the problem identified. The Contractor will provide LDH or its designee with test data files for systems and interface testing for all external interfaces.

2.4   Services

2.4.5.1   As permitted under 42 CFR §438.3(e)(1), the Contractor may offer Value-Added Benefits (VAB) which are not Medicaid Covered Services or prohibited services. VABs are provided at the Contractor's expense, are not included in the Capitation Rate, and shall be identified as VABs in Encounter Data in accordance with the MCO Manual and the MCO System Companion Guide.

2.16   Quality Management and Quality Improvement:

2.16.10.1   The Contractor shall submit administrative encounter data to LDH or its designee upon request in a format that facilitates monitoring of the Contractor's performance on quality measures and benchmarks.

2.18   Claims Management:

2.18.15.1   The Contractor's system shall be able to transmit to and receive electronic data from the FI's system as required for the appropriate submission of Encounter Data.

2.18.15.2   The Contractor shall create a unique Processor Control Number (PCN) and unique Group number (if a group number is utilized) for the Louisiana Medicaid Program and shall submit the PCN, and group number (if a group number is utilized), and the Bank Identification Number with the Encounter Data submission.

2.18.15.3   For Encounter Data submissions, the Contractor shall:

2.18.15.3.1   Submit complete and accurate Encounter Data at least monthly for all dates of service during the term of this Contract to LDH or the FI, as directed by LDH; and

2.18.15.3.2   Submit the Encounter Data in accordance with the Encounter reconciliation schedule published by LDH or its contracted review organization, including Encounters reflecting a zero dollar amount ($0.00) and Encounters in which the Contractor or its Subcontractor has a capitation arrangement with a provider. If the Contractor or its subcontracted vendor(s), individually or in aggregate, fails to submit complete Encounter Data as measured by a comparison of Encounters to cash disbursements within a one percent (1%) error threshold (i.e., Encounters are at least ninety-nine percent [99%] but no greater than one hundred percent [100%] of cash disbursements), LDH may impose Monetary Penalties in accordance with Attachment G, Table of Monetary Penalties. LDH, at its sole discretion, may waive the penalty if Encounters processed by subcontracted vendors (e.g., pharmacy, non-emergency transportation, vision) fall below the completion threshold during the transition to a new vendor; however, this grace period shall not exceed ninety (90) Calendar Days for Encounters processed by either the exiting vendor or the new vendor.

2.18.15.4   The Contractor shall submit HIPAA compliant 837 Encounters for Institutional, Professional and Dental, and the NCPDP D.0 format in a batch processing method for pharmacy Encounters. The Contractor shall be able to transmit this Encounter Data to the FI thirty (30) Calendar Days after the Operational Start Date. Inpatient Hospital services (Institutional Encounters indicating Facility Type Code of 11, 12, 18, 21 or 86) are Adjudicated at the document level. All other Encounters are Adjudicated at the line level.

2.18.15.5   As part of the Readiness Review, the Contractor's system shall be ready to submit Encounter Data to the FI according to specifications, including data elements and reporting requirements, in the MCO System Companion Guide. The Contractor's system shall submit such Encounter Data within thirty (30) Calendar Days of the Operational Start Date. The Contractor shall incur all costs associated with certifying HIPAA

transactions readiness through a third party prior to submitting Encounter Data to the FI.

2.18.15.6   The Contractor shall provide the FI with complete and accurate Encounter Data for all levels of health care services provided, including all Claims paid, denied, adjusted or voided directly by the Contractor or indirectly through a Subcontractor, regardless of whether the Subcontractor's agreement has since termed.

2.18.15.7   The Contractor shall have the capability to convert all information that enters its Claims system via hard copy paper Claims to electronic Encounter Data, for submission in the appropriate HIPAA compliant formats to LDH's FI.

2.18.15.8   The Contractor shall ensure that all Encounter Data from a Subcontractor is incorporated into files submitted by the Contractor to the FI. The Contractor shall not submit separate Encounter files from Subcontractors.

2.18.15.9   The Contractor shall ensure the level of detail associated with Encounters from providers with whom the Contractor has a capitation arrangement shall be equivalent to the level of detail associated with Encounters for which the Contractor received and settled a FFS Claim.

2.18.15.10   The Contractor shall utilize the **MCO System Companion Guide** to become familiar with the Claims data elements that shall be included in Encounters. The Contractor shall retain all required data elements in Claims history for the purpose of creating Encounters that are compatible with LDH and the FI's billing requirements.

2.18.15.11   The Contractor shall adhere to Federal and/or LDH payment rules in the definition and treatment of certain data elements, such as units of service that are a standard field in the Encounter Data submissions and will be treated similarly by LDH across all MCOs.

2.18.15.12   The Contractor shall submit paid, denied, adjusted, and voided Claims as Encounters to the FI. LDH shall establish the appropriate identifiers to indicate these Claims as Encounters, as provided in the **MCO System Companion Guide**.

2.18.15.13   The Contractor shall ensure that Encounter files contain settled Claims, adjustments, denials or voids, including, but not limited to, adjustments necessitated by payment errors, processed during that payment cycle, as well as Encounters processed during that payment cycle from providers with whom the Contractor has a capitation arrangement.

2.18.15.14   The FI Encounter process shall utilize a LDH-approved version of the Claims processing system (edits and adjudication) to identify valid and invalid Encounter records from a batch submission by the Contractor. Any submission which contains fatal errors that prevent processing, or that

does not satisfy defined threshold error rates, shall be rejected and returned to the Contractor for correction and resubmission to the FI in the next payment cycle.

2.18.15.15   LDH has authorized its FI to edit the Contractor's Encounters using a common set of edit criteria, that might cause denials, and The Contractor should resolve denied Encounters when appropriate. Encounter denial codes shall be deemed "repairable" or "non-repairable". The Contractor is required to be familiar with the FI edit codes and dispositions for the purpose of repairing Encounters denied by the FI. A list of Encounter edit codes is located in the **MCO System Companion Guide**.

2.18.15.16   In order to maintain integrity of processing, the Contractor shall address any issues that prevent processing of an Encounter. The Contractor shall address ninety percent (90%) of reported repairable errors within thirty (30) Calendar Days and one hundred percent (100%) of reported repairable errors within sixty (60) Calendar Days or within a negotiated timeframe approved by LDH in writing. Failure to promptly research and address reported errors, including submission of and compliance with an acceptable Corrective Action Plan, may result in Monetary Penalties.

2.18.15.17   The Contractor CEO, CFO or their designee shall attest to the truthfulness, accuracy, and completeness of all Encounter Data submitted.

2.18.15.18   The Contractor shall make an adjustment to Encounters when the Contractor discovers the data is incorrect, no longer valid, or some element of the Claim not identified as part of the original Claim needs to be changed except as noted otherwise. Incorrect provider numbers, incorrect Enrollee Medicaid ID numbers, or incorrect Claim types cannot be adjusted. Rather, the Encounter must be voided and resubmitted as an original. All other adjustments to an Encounter shall be done as an adjustment record.

2.18.15.19   Encounters submitted by the Contractor must contain the Claims data submitted to the Contractor by the provider without alterations, except for adjustments required for Claims processing as provided above. To the extent that the provider submits an adjusted Claim to the Contractor to correct missing or incomplete medical information, the Contractor must then submit the corrected Claim to the FI as an Encounter.

2.18.15.20   If LDH or its designee discovers errors or a conflict with a previously Adjudicated Encounter, the Contractor shall be required to adjust or void the Encounter within fourteen (14) Calendar Days of notification by LDH, or if circumstances exist that prevent the Contractor from meeting this time frame, by a specified date approved by LDH in writing. The Contractor shall obtain prior approval from LDH in writing for any

submission to the Fiscal Intermediary for numbers greater than one hundred thousand (100,000) Encounters.

2.18.17.1.1 The Contractor shall have an automated Claims and Encounter processing system for pharmacy Claims that will support the requirements of this Contract and ensure the accurate and Timely processing of Claims and Encounters. The Contractor shall allow pharmacies to back bill electronically (reversals and resubmissions) for three hundred sixty-five (365) Calendar Days from the date of the original submission of the Claim.

2.18.17.1.2 The Contractor shall support electronic submission of Claims using the most current HIPAA compliant transaction standard.

2.18.17.1.3 Pharmacy Claim edits shall include eligibility, drug coverage, benefit limitations, prescriber and prospective/concurrent drug utilization review edits.

2.18.17.1.4 The system shall provide for an automated update to the National Drug Code file including all product, packaging, prescription and pricing information. The system shall provide online access to reference file information. The system shall maintain a history of the pricing schedules and other significant reference data. The drug file for both retail and specialty drugs, including price, shall be updated within three (3) Business Days of receipt of the drug file.

2.18.17.1.6 The Contractor shall ensure that the manufacturer number, product number, and package number for the drug dispensed shall be listed on all claims. This information shall be taken from the actual package from which the drug is usually purchased by a provider, from a supplier whose products are generally available to all pharmacies and reported in one or more national compendia.

2.18.17.1.7 Provisions shall be made to maintain permanent history by service date for those services identified as "once-in-a-lifetime."

2.18.17.2 Pharmacy Rebates

The Contractor shall submit all drug encounters, with the exception of inpatient hospital drug Encounters, to LDH or its designee pursuant to the requirements of this section. LDH or its designee shall submit these Encounters for Federal or supplemental pharmacy rebates from manufacturers under the authority of the LDH Secretary pursuant to the Section 2501 of the Patient Protection and Affordable Care Act (ACA).

2.18.17.3.1 The Contractor shall submit a weekly Claim-level detail file of pharmacy Encounters to LDH which includes individual Claim-level detail information on each pharmacy Claim dispensed to an Enrollee including, but not limited to, the total number of metric units, dosage form, strength

and package size, and National Drug Code of each covered outpatient drug dispensed to Enrollees. This weekly submission must comply with Encounter Data requirements of this section. See the **MCO System Companion Guide** for a complete listing of Claim fields required.

2.18.17.3.2   At the request of LDH or the FI, the Contractor shall submit pharmacy Claims information in an electronic format that is suited to allow for integration with the State's pharmacy rebate program according to the schedule established by LDH in writing. The pharmacy rebate process is a quarterly process, and Claims information is usually required before the end of the month that follows the end of the quarter.

2.18.17.4.1   At least quarterly, LDH may review the Contractor's pharmacy Encounters and send a file back to the Contractor of disputed Encounters that were identified through the drug rebate invoicing process.

2.18.17.4.2   Within sixty (60) Calendar Days of receipt of the disputed Encounter file from LDH, the Contractor shall, if needed, correct and resubmit any disputed Encounters and send a response file to LDH or its designee that includes 1) corrected and resubmitted Encounters as described in the Rebate Section of the **MCO System Companion Guide**, and/or 2) a detailed explanation of why the disputed Encounters could not be corrected including documentation of all attempts to correct the disputed Encounters at an Encounter level detail, as described in the Rebate Section of the **MCO System Companion Guide**.

2.18.17.4.3   The Contractor may be subject to Monetary Penalties in accordance with Attachment G, *Table of Monetary Penalties*, for failure to submit weekly pharmacy Encounter files and/or a response file to the disputed Encounters file within sixty (60) Calendar Days as detailed above for each disputed Encounter.

2.19   Systems and Technical Requirements:

2.19.1.21.3   An MCO Data Warehouse that supports the Timely submission of valid data, including, but not limited to, Encounter Data;

2.19.6.3.1   The Contractor's Systems shall conform to future Federal and/or LDH specific standards for Encounter Data exchange prior to the standard's effective date, unless otherwise directed by CMS or LDH.

2.20   Fraud, Waste, and Abuse Prevention

2.20.6.15   Upon the conclusion of provider rebuttals and Appeals, if applicable, the State or its agent shall notify the Contractor of the overpayment. The Contractor shall initiate its own review on the identified Encounters within fourteen (14) Calendar Days of notification from LDH and correct the identified Encounters within forty-five (45) Calendar Days of notification

from LDH. The Contractor shall submit confirmation that the corrections have been completed.

4.14   Post-Payment Recoveries

     4.14.1.7   The Contractor shall initiate an automatic recoupment at the expiration of the sixty (60) Calendar Day time period if an extension request is not received from the provider and at the expiration of the ninety (90) Calendar Day time period if an extension is requested by the provider if the provider has not remitted the payment to the Contractor

     4.14.1.8   The Contractor shall void Encounters for Claims for which the full Louisiana Medicaid Program paid amount is being recouped. For recoupments for which the full Louisiana Medicaid Program paid amount is not being recouped, the Contractor shall submit adjusted Encounters for the Claims.

ACRONYMS & DEFINITIONS:

- CMS - Centers for Medicare & Medicaid Services

- DWT1048 - User maintained code table that stores all Medicaid Sold ledgers with the associated program name (LAMCD)

- EDW - Enterprise Data Warehouse

- HIPAA - Health Insurance Portability and Accountability Act

- MCO - Managed Care Organization

- NCPDP - National Council for Prescription Drug Programs

- NDC - National Drug Code

- NPI - National Provider Identifier

- LDH - Louisiana Department of Health

- PCT Tables - Data tables in the Enterprise Data Warehouse (EDW) storing Pharmacy Paid Claim Transactions

- Sold Ledger - Number identifying the selling market, state of issue, line of business, certificate of authority (HMO, PPO, etc.) and service identification (ASQ, NFQ, SMGRP, CLASSIC, etc.)

- SS&C - Humana's claim processor

- State - The state of Louisiana

- OTC – Over the Counter

- FI – Fiscal Intermediary

PURPOSE:

This Humana Healthy Horizons in Louisiana policy provides guidance and detailed processes regarding Humana's submission of Pharmacy Medicaid encounter data to the appropriate state entities as specified in the contract requirements.

POLICY AND PROCEDURE:

Policy:

It is Humana's policy to create and send Pharmacy Medicaid encounter data based upon State regulations and contract terms.

Procedure:

- All Humana pharmacy claims are processed at SS&C and sent to Humana daily to be loaded and stored in the EDW PCT tables, which are secured and retained according to company policy and HIPPA standards.

- At point of sale, each claim is stamped with a sold ledger based on eligibility information stored at SS&C. This field is stored on the PCT along with numerous other claim attributes including member, provider, financial, drug, and other information.

- The sold ledgers on the PCT are compared to a user maintained TDO code table (DWT1048), which denotes all valid Medicaid ledgers and flags the claim as Medicaid.

- The Medicaid ledger mapping is completed daily; if the ledger matches, the claim is imported into the NCPDP Submission Status table.

- Each new Medicaid claim is stored into the NCPDP Submission Status table and attributes of each claim are stored into the Detail table. The NCPDP Submission Status table houses all of the encounters/claims that are sent to LDH or its subcontractor, as well as the corresponding status (sent/accepted, sent/rejected, and voided).

- Claims are evaluated daily to determine the Humana status. When a claim has been submitted to LDH or its subcontractor, a new picture of the same claim cannot be submitted unless a response has been received. If another picture of the claim comes in during this time, the following can happen:
    - If a claim has been paid and reversed within one submission cycle, both claims are set to have a Humana submission status of VOID in the EDW NCPDP Submission Status tables as these should not be submitted.

- o If a paid claim was rejected by LDH or its subcontractor, and we subsequently receive a pharmacy reversal, the reversal claim will be put in pending status until the paid claim is updated to accepted.

- When the NCPDP Submission Status table determines that a new or different picture of the claim should be sent, the claim will be sent in the appropriate encounter submission format with all required claim attributes on the next scheduled submission. Encounter submissions to LDH or its subcontractor will occur as required to adhere to all timeliness guidelines established by the State.

- Humana will submit 100% of its pharmacy encounter data to LDH or its subcontractor in the format and manner prescribed by the State and in accordance with HIPAA standards. Additionally, Humana's CEO, CFO, or their designee will attest to the truthfulness, accuracy, and completeness of all encounter data submitted.

- Humana will identify 340B claims in a manner prescribed by the Department.

- In the event that LDH or its subcontractor are not able to process an encounter submission file, Humana is notified of the full file rejection. The cause of the file rejection is determined at that time, and all encounters are resubmitted to LDH or its subcontractor as soon as possible.

- Humana will be responsible for all errors and/or noncompliance regarding the submission of encounter data.

- Humana will review 90% of reported repairable errors within thirty (30) Calendar Days and 100% of reported repairable errors within sixty (60) Calendar Days or within a negotiated timeframe approved by LDH in writing. Following review, Humana will correct or dispute the reported error. See the below Error Correction Methods section for additional information.

- The Humana Pharmacy Encounters team will work with other impacted areas to assist in ensuring all required reports, quality measures, and benchmarks tied to pharmacy encounters are reflective of accurate and complete data through data analysis and comparisons between what is captured in the report and what was submitted to LDH or its subcontractor.

- Humana will define and test modifications to the system in order to support the required business functions of the Contract and to ensure the ability to produce accurate encounter files. Humana will produce data extracts and receive data transfers and transmissions.

- Humana creates the encounter submissions based on the Batch Pharmacy Companion Guide. This includes submitting a unique Processor Control Number (PCN) or Group number and the Bank Identification Number for Louisiana Medicaid with the encounter claims data submission.

- Humana will make an adjustment to encounter claims when it is discovered that the data is incorrect, no longer valid, or some element of the claim not identified as part of the original claim needs to be changed except as noted otherwise. Incorrect provider numbers, incorrect enrollee Medicaid ID numbers, or incorrect claim types cannot be adjusted. The encounter record must be voided and resubmitted as an original. All other adjustments to an encounter record shall be done as an adjustment record.

- If LDH or its subcontractors discover errors, overpayment, or a conflict with a previously adjudicated encounter claim, Humana will adjust or void the encounter claim within fourteen (14) calendar days of notification by LDH, or if circumstances exist that prevent contractor from meeting this time frame, by a specified date approved by LDH. Humana shall obtain prior approval from LDH for any submission to LDH's FI for numbers greater than one hundred thousand (100,000) encounter claims.

- Humana will void encounters for claims in which the full paid amount is being recouped. If the full paid amount is not being recouped, Humana will submit adjusted encounters for the claims.

Error Correction Methods:

- Demographic errors – Invalid Date of Birth, Changes in Name, Address, Sex Code. Claims are researched and demographic fields are identified as corrected. Encounters are retriggered, and updated information is submitted for acceptance.

- Missing or Invalid Prescriber ID – Edits are in place to require the Prescriber NPI effective 1/1/2016.

- Invalid NDCs – These are mostly related to OTC drugs. NDCs are researched/updated, and claims are retriggered through a manual process.

- Medicaid should pay secondary not primary – Claims go through subrogation with HMS. As monies are recouped, reversal encounters are submitted to the State.

- Pharmacy not registered – Steps are in place to get Pharmacies registered with the State. Once this occurs, claims will be retriggered.

- Vendor processing/timeout errors – These are automatically resubmitted to the State for acceptance.

- Other errors may result in code changes. Once code changes are in place, claims can be retriggered for re-submission.

- A Comparison of sold ledgers to the automated process is done to ensure the automated process is picking up each of the State's ledgers appropriately.

- Validations are completed to ensure all Medicaid Claims are picked up in the NCPDP Submission Status table, including comparison of claims processed to encounters submitted.

- Procedures are executed to monitor encounters excluded from submission and then determine root cause and correction remedy.

ADDITIONAL RESOURCES:

- Louisiana Contract

Attachment A -
Model Contract 8.23

- NCPDP Batch Pharmacy Companion Guide

Batch_Pharmacy_05
_24_2022.pdf

VERSION CONTROL:

Version.Review.Approval History				
Department:	**Purpose of Review**	**Reviewed and Approved By:**	**Date:**	**Additional Comments:**
ENC	Policy Development		9/29/2021	Developed by Amber Griffin
ENC	Approval	John Snearly	10/8/2021	
ENC	Procedure change		12/10/2021	Modified by Amber Griffin: Added procedure to address submitting adjusted encounters for payment recoveries. Also updated Companion Guide link to more current version.
ENC	Approval	John Snearly	12/10/2021	
ENC	Procedure Change	John Snearly	10/31/2022	Updated contract references and modified procedures based on final contract. Linked updated files.

DISCLAIMER:

Humana follows all federal and state laws and regulations. Where more than one state is impacted by an issue, to allow for consistency, Humana will follow the most stringent requirement.

Humana | Healthy Horizons™ in Louisiana

This document is intended as a guideline. Situations may arise in which professional judgment may necessitate actions that differ from the guideline. Circumstances that justify the variation from the guideline should be noted and submitted to the appropriate business area for review and documentation. This (policy/procedure) is subject to change or termination by Humana at any time. Humana has full and final discretionary authority for its interpretation and application. This (policy/procedure) supersedes all other policies, requirements, procedures or information conflicting with it. If viewing a printed version of this document, please refer to the electronic copy maintained by CMU to ensure no modifications have been made.

NON-COMPLIANCE:

Failing to comply with any part of Humana's policies, procedures, and guidelines may result in disciplinary actions up to and including termination of employment, services or relationship with Humana. In addition, state and/or federal agencies may take action in accordance with applicable laws, rules and regulations.

Any unlawful act involving Humana systems or information may result in Humana turning over all evidence of unlawful activity to appropriate authorities. Information on handling sanctions related to non-compliance with this policy may be found in the Expectations for Performance, and Critical Offenses policies, both of which may be found in the Associate Support Center via Humana's secure intranet of Hi! (Workday & Apps/Associate Support Center).