



# Cognisight Encounter Data Processing System

Version 1.3 - August 25, 2011

It all adds up to better health care

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## CMS Changes

When the decision was made to transition from ICD-9 to ICD-10, it also became apparent that the current electronic standards would need to be revised. With this window of opportunity, it only made sense to adopt the newest x12 standards (5010) that encompassed many improvements for both payers and providers. In total, there are 1,331 changes between the two transactions standards. With that said, Cognisight has already begun implementing the necessary changes to accommodate the various services we provide. In doing so, our system will provide but will not be limited to the following capabilities:

1. Compliant CMS 5010 Encounter data.
2. Ability to report on inbound and outbound 5010 validation results along with error analysis.
3. Archival processes for all 5010 encounter data elements during the various service phases.
4. Dual support for both 5010 and RAPS submission during transition periods.
5. Import and export options for accommodating client's needs for complete CMS compliance.
6. Optimizing CMS reimbursements to appropriately capture the risk scores of your plans members.

CMS has provided 3 major reasons for the transition to a more robust collection system:

1. Risk Adjustment - The collection of encounter data will allow the risk adjustment model to more accurately reflect Part C utilization rather than relying solely on Fee For Service utilization.
2. Disproportionate Share Hospital Programs - The richer data will provide CMS with a way to include Part C beneficiary data in the calculation of Disproportionate Share Hospital payments.
3. Quality Ratings - CMS is considering using the data to develop additional measures to include in the Star Ratings calculations.

### Important Notes:

- Parallel Processing - The Risk Adjustment Processing System and Encounter Data System will run in parallel for a minimum of one (1) year during the transitional period. It is crucial to continue submitting RAPS files to CMS through the transition period.
- Monthly Submissions - Currently RAPS submissions are required on a quarterly basis. The Encounter Data Processing System will require monthly submissions.
- Increased Data Collection - The Encounter Data Processing System will require the submission of all fields of a HIPAA standard 5010 rather than the five fields previously collected via RAPS submissions.
- Once acknowledgement is received from CMS indicating a submitted test file was successfully processed through the EDFES and the EDPS, the plan will be certified to submit encounter data as of January 3, 2012.

### 2012 First Year Expectations:


MAO's and other entities are required to submit data to both RAPS and EDS beginning January 3, 2012, and throughout the 2012 payment year. The full 5010 HIPAA standard format should be submitted to the EDPS and the current RAPS format should be submitted for risk adjustment processing.

For the duration of 2012, MAO's and other entities are expected to comply with submission requirements of both the RAPS and EDS. Plans should continue to submit RAPS data according to the current timelines published in the risk adjustment submission schedule.

## 2012 Payment Reconciliation

Plan payments will continue to be driven by RAPS during parallel processing and until the EDS is validated by CMS. Plans will continue to receive the Model Output Report (MOR), Monthly Membership Report (MMR), and RAPS Transaction Reports during parallel systems processing. Payment calculations and reconciliations will continue to be based on data that is submitted to RAPS. Plans should utilize the MOR, MMR, and RAPS Transaction Reports throughout the 2012 payment year to reconcile payment data and project beneficiary risk scores.

However, plans are also expected to utilize the encounter data return reports in conjunction with the RAPS return reports to reconcile data, ensure all data elements are captured, and project beneficiary risk scores to ensure that the data submitted and calculated through the EDS is accurate. Once parallel systems processing has ended and the transition to the EDS is complete, payment calculations will be based solely upon the EDS and plans will reconcile payment through the EDS reports only.

 **Example** Live Well Health Plan receives the MOR and MMR reports from RAPS for April 2012, during parallel systems processing of RAPS and EDS. The plan utilizes the diagnosis data and demographic information provided on the reports to reconcile the risk score calculation for a beneficiary enrolled in their plan. Upon reconciliation of the beneficiaries risk score calculation, based on the data received in the MOR and MMR, the plan should then reconcile this data also on the reports received from the EDS to ensure the same information is provided and that there are no discrepancies. This will ensure that the data is processing correctly through the EDS even though the actual risk score and payment calculation would still be based on the data submitted to RAPS at that time.

CMS will use data submitted through EDS for benchmarking purposes for Payment Year 2013. Beginning in Payment Year 2014, the risk scores will be derived from data submitted through EDS. Table 5D illustrates RAPS Phase-out schedule.

TARGET PHASE-OUT SCHEDULE			
PY	SUBMISSION DEADLINE	PAYMENT	RISK SCORE AND BENCHMARKING
2013	09/2012	Initial: 01/2013	RAPS Risk Score/EDS Benchmarking
	03/2013	Mid-Year: 07/2013	RAPS Risk Score/EDS Benchmarking
	01/2014	Reconciliation: 08/2014	RAPS Risk Score/EDS Benchmarking
2014	09/2013	Initial: 01/2014	EDS Risk Score/RAPS
	03/2014	Mid-Year: 07/2014	EDS Risk Score
	01/2015	Reconciliation: 08/2015	EDS Risk Score
2015	09/2014	Initial: 01/2015	EDS Risk Score
	03/2015	Mid-Year: 07/2015	EDS Risk Score
	01/2016	Reconciliation: 08/2016	EDS Risk Score

**Important Dates:**

TARGET MA EDS IMPLEMENTATION TIMELINE		
START DATE	END DATE	EVENT
March 30, 2011	September 05, 2011	Test Case Preparation Period
September 06, 2011	October 04, 2011	Front-End Testing of the COTS EDI Translator and both the Encounter Data Institutional (837-I) and Professional (837-p) CEM's
October 31, 2011	November 30, 2011	Encounter Data Institutional Processing and Pricing System (EDIPPS) and Encounter Data Professional Processing and Pricing System (EDPPPS) Syb0System End-to-End Testing/certification
January 03, 2012	January 03, 2012	EDIPPS and EDPPPS roll-out

All plans should be aware that beginning January 3, 2012 EDS and RAPS will process in parallel for a minimum of one (1) year according to CMS. Once acknowledgement is received from CMS indicating a submitted test file was successfully processed through the EDFES and the EDPS, the plan will be certified to submit encounter data as of January 3, 2012.

TARGET PACE EDS IMPLEMENTATION TIMELINE		
START DATE	END DATE	EVENT
February 15, 2012	February 28, 2012	Execute Encounter Data Pilot Test For PACE Plans
March 30, 2012	June 30, 2012	Completion of the EDI Agreement and Submitter ID Application
March 30, 2012	June 30, 2012	Execute EDFES Testing
July 18, 2012	September 30, 2012	Execute EDIPPS and EDPPPS Sub-System End-to-End Testing
January 3, 2013	N/A	Encounter Data PACE Plans rollout

*NOTE: Target Dates subject to change according to CMS*

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## Our Approach

The Cognisight Encounter Data processing system works as a partnership between the client and Cognisight. Cognisight will work with our clients in determining the appropriate and agreed upon encounter data format for accommodating each plan's needs. Cognisight has also begun generating its own encounter data specifications (still in development, expected release date October 1, 2011) for those plans that may find it easier to send us a flat file based on our analytical requirements. For example, Cognisight currently requires that claim data be submitted using our specification defined as a delimited CSV flat file as opposed to an ASC x12 837 4010A1 file. There are a few reasons for this:

1. The ASC x12 837 4010A1 file does not contain all of the data elements needed to support Cognisight's data analytic findings.
2. Clients have found it easier to generate a delimited flat file format out of their claims system.
3. Clients are able to quickly and easily generate a delimited flat file based on sub-sets of membership rather than their entire population.

Cognisight will handle the primary creation of encounter data specific to its Phase I & II services which includes: creation of ASC X12 version 5010 encounter files or Cognisight's encounter data specification based off of the ASC X12 5010 standard. Cognisight will also process TA1-Interchange Acknowledgement, 999-Functional Group Acknowledgement, and 277CA - Claim Acknowledgement reports for accommodating any potential re-submissions.

The client is responsible for providing CMS approved encounter data (ASC X12 version 5010) or a delimited flat file according to Cognisight's encounter data specifications (based on the ASC X12 5010 standard) on a monthly basis or immediately following any encounter data submission to CMS. Upon each encounter data submission, the client will also be responsible for sending all related acknowledgment reports back to Cognisight prior to any subsequent encounter data submissions.

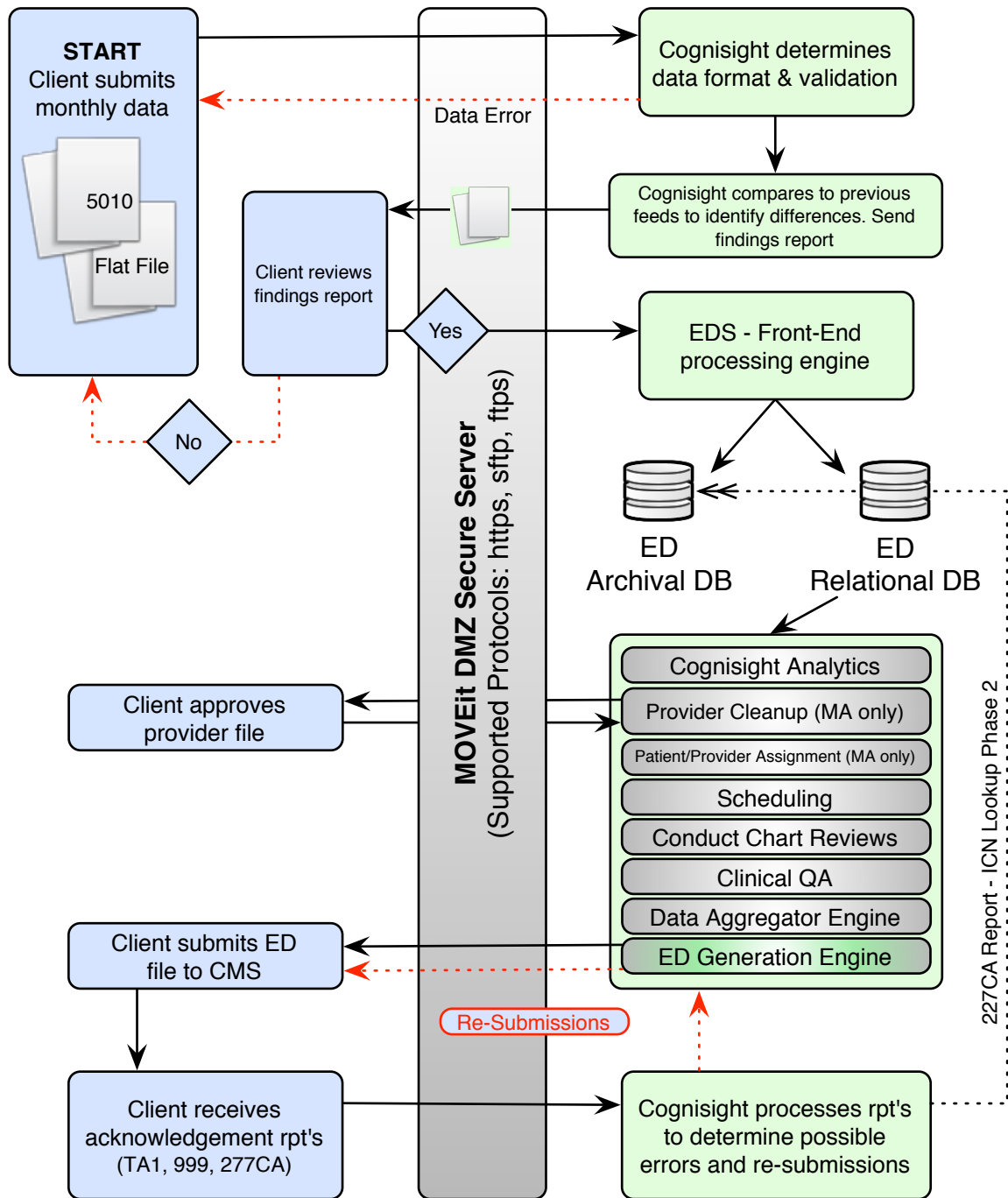
Cognisight requests that a test encounter data file (ASC X12 version 5010) be submitted no later than September 30<sup>th</sup>, 2011 or after receiving a successful acknowledgement reply from CSSC based on its End-to-End testing beginning on September 12, 2011. In addition, copies of all acknowledgement reports are to be sent to Cognisight directly following the plans initial test submission.

Depending on the approach that a plan may take in terms of sending/receiving encounter data to/from Cognisight; our approach will be as follows:

- Both Cognisight and client to agree on the file format to be used. Either ASC X12 version 5010 encounter files or Cognisight's encounter data flat file format based off of the ASC X12 5010 standard.
- Client to submit test file in either format.
- Cognisight performs analysis on file.
- Begin processing and generating encounter data and associated acknowledgement reports beginning January 3, 2012 unless otherwise noted by CMS.

# Encounter Data Chart Review Process

## Phase I

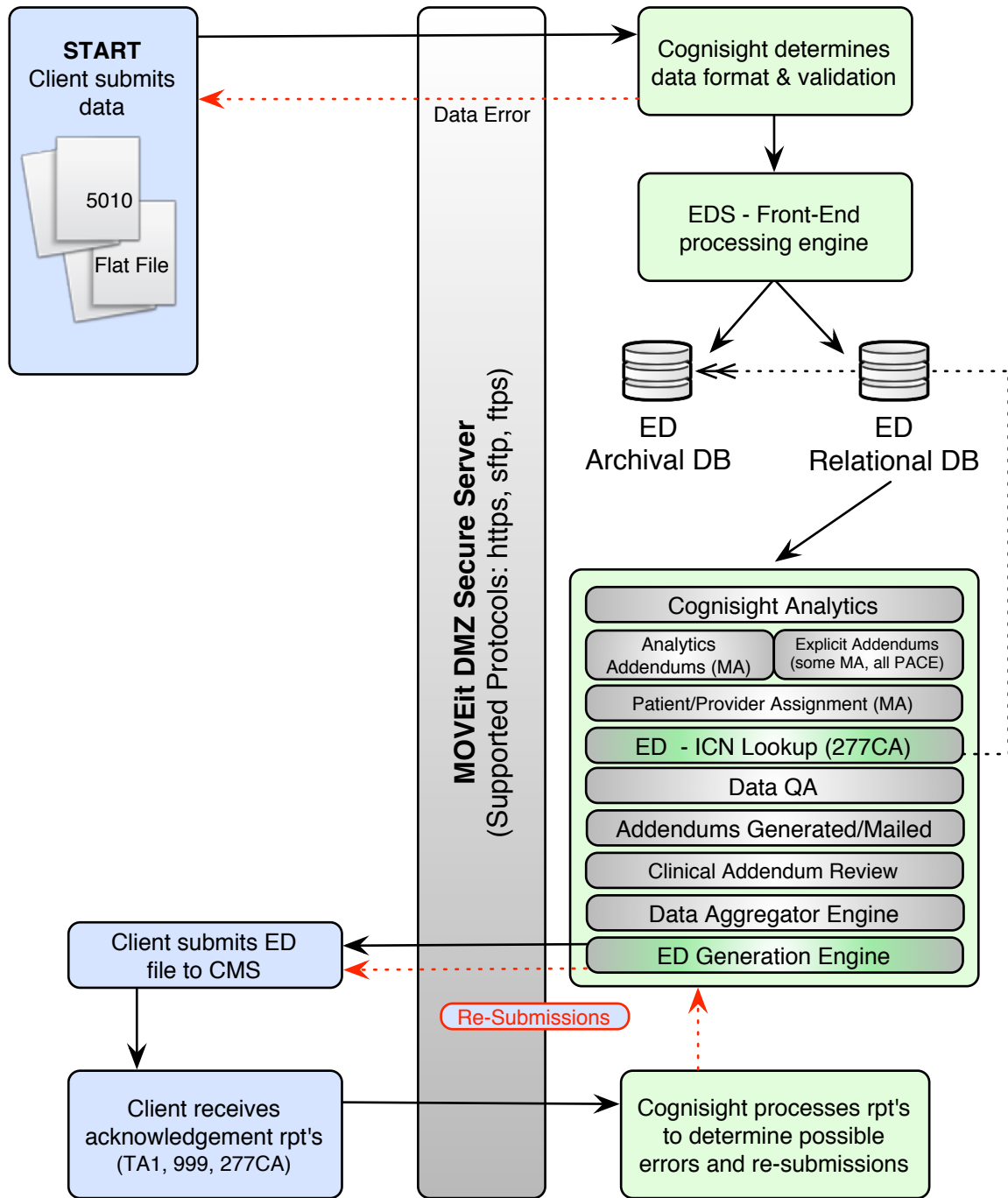


Key:  
 5010 = ASC x12 version 5010  
 EDS = Encounter Data System  
 ED = Encounter Data  
 Rpt's = Reports

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- The client provides required data to Cognisight in either of the following two formats:
    - ASC X12 5010 encounter data
    - Cognisight CSV file based off of the ASC X12 5010 standard still in development; expected release date October 31, 2011
  - Cognisight will then identify and validate the data file to determine any initial formatting errors. If an error has been identified, Cognisight will notify the client indicating a re-submission.
  - Cognisight filters the data file and compares it to previous feeds for identify differences and possible deletions before being loaded into the EDS Front-End system. (A description of the various filtering rules is available in Appendix A of this document.)
  - A report is generated confirming the findings and is sent to the client for final validation. Once the client has made edits and/or is satisfied with the findings, the client will send the data file back to Cognisight.
  - Cognisight will then load the data file into its Encounter Data System Front-End processing engine to begin extraction, transformation, and processing. In addition, all encounter data will be archived separately for Phase II services.
  - At this point, all existing Phase I processes will take place for both traditional MA plans and PACE plans.
  - Once all Phase I work has been completed, the Encounter Data generation engine will create either an ASC X12 5010 encounter data file or a Cognisight CSV file based off of the ASC X12 5010 standard.
  - Depending on the format agreed upon, a plan will either submit directly to CMS using the ASC X12 5010 file or will have to Step-Up the Cognisight CSV file into a ASC X12 5010 file.
  - Immediately following plan submission, client will review and send a copy of all acknowledgement reports to Cognisight for potential re-submission. (A description of these reports is available in Appendix B of this document.)
  - Cognisight will then process each acknowledgement report and review with client any errors for potential re-submits.

# Encounter Data Chart Review Process

## Phase II



Key:  
 5010 = ASC x12 version 5010  
 EDS = Encounter Data System  
 ED = Encounter Data  
 Rpt's = Reports

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- The client provides required data to Cognisight in either of the following two formats:
    - ASC X12 5010 encounter data
    - Cognisight CSV file based off of the ASC X12 5010 standard still in development; expected release date October 31, 2011
  - Cognisight will then identify and validate the data file to determine any initial formatting errors. If an error has been identified Cognisight will notify the client indicating a re-submission.
  - At this point, all existing Phase II processes will take place for both traditional MA plans and PACE plans with the exception of the ED - ICN Lookup (277CA). In order to link Phase II review data to the original encounter, when available, Cognisight will use the ICN that CMS provides on the 277CA transaction report received during Phase I efforts.
  - Once all Phase II work has been completed, the Encounter Data generation engine will create either an ASC X12 5010 encounter data file or a Cognisight CSV file based off of the ASC X12 5010 standard.
  - Depending on the format agreed upon, a plan will either submit directly to CMS using the ASC X12 5010 file or will have to Step-Up the Cognisight CSV file into a ASC X12 5010 file.
  - Immediately following plan submission, client will review and send a copy of all acknowledgement reports to Cognisight for potential re-submission. (A description of these reports is available in Appendix B of this document.)
  - Cognisight will then process each acknowledgement report and review with client any errors for potential re-submits.

## Next Steps

Cognisight is in the process of scheduling webinars for those plans interested in learning more about the latest CMS Encounter Data mandate. Dates and possible forums are yet to be determined; however the table below illustrates Cognisight's EDS Implementation timeline for becoming compliant according to the new Data Encounter initiative. For more information please contact your Cognisight Account Manager or send us an email at [EDPS@cognisight.com](mailto:EDPS@cognisight.com)

TARGET COGNISIGHT EDS IMPLEMENTATION TIMELINE		
START DATE	END DATE	EVENT
September 02, 2011	September 02, 2011	Distribute "Cognisight Encounter Data Process v1.0 Final.docx" documentation to all our clients
September 12, 2011	September, 30, 2011	Client submits ASC X12 5010 ED File to Cognisight
October 03, 2011	October 03, 2011	Distribute "Cognisight Encounter Data File Specification v1.0.docx" to all our clients
October 04, 2011	October 14, 2011	Cognisight works with our clients to determine which Encounter Data format to be used for both inbound/outbound Encounter Data and Acknowledgement reports.
October 24, 2011	November 25, 2011	Selected clients utilizing the proposed Cognisight Encounter Data format begin submitting test data.

*NOTE: Target Dates subject to change according to CMS*

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## Appendix A: Claims Filtering Rules

Cognisight filters claims following CMS' rules for claim filtering.

- The member must have been enrolled in one of the client's plans during the claim's date of service. This information is provided in the membership enrollment history data.
- The specialty code for a "physician" claim must be a valid CMS specialty code for CMS. Refer to section 3.2.3 of the CMS Risk Adjustment Data Training for Medicare Advantage Organizations Participant Guide for information on acceptable specialty codes.
- Only "physician", physician extenders, hospital inpatient and outpatient claim data is eligible for submission to CMS for the purpose of Risk Adjustment.
- Only claims from a provider with a valid CMS legacy number and/or taxonomy code and/or type of bill can be submitted to CMS for Risk Adjustment. This eligibility is defined in the current CMS Risk Adjustment Data Training for Medicare Advantage Organizations Participant Guide, and appropriate UB-92/CMS-1450 reference materials.
- A diagnosis on a claim may be gender specific. If so, the gender of the member will be compared with the diagnosis gender in the service year. A gender mismatch will invalidate such claim diagnoses.

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## Appendix B: CMS Acknowledgement Reports

Immediately following plan submission, client will review and send a copy of all acknowledgement reports listed below to Cognisight for potential re-submission. In the event an error occurs, Cognisight will work with clients to determine an immediate corrective action in addition to complying with CMS guidelines for potential re-submission.

### TA1 Interchange Acknowledgement Report

As the interchange envelope enters the EDFES, the EDI translator performs TA1 validation of the ISA/IEA, which is the X12 interchange. The TA1 validates the interchange stage at the X12 interchange level and reviews the ISA/IEA interchange and their consistency with the data contained. Errors found in this stage will cause the entire X12 interchange to be rejected by CMS with no further processing.

### 999 - Functional Acknowledgement Report

After the interchange passes the TA1 edits, the next stage of editing is to apply Implementation Guide (IG) edits and verify the syntactical correctness of the functional group(s) (GS/GE). Functional groups allow for like data to be organized within an interchange; therefore, more than one (1) functional group with multiple claims within the functional group can be populated in a file. The 999 acknowledgement report provides information on the validation of the GS/GE functional group(s) and their consistency with the data contained. The 999 report provides MAO's and other entities information on whether the functional group(s) were accepted or rejected.

If a file has multiple GS/GE segments, and errors occurred at any point within one of the syntactical and IG level edit validations, then that GS/GE segment will be rejected and processing will continue to the next GS/GE segment. For instance, if a file is submitted with three (3) functional groups and the second functional group encounters errors, the first functional group will be accepted, the second functional group will be rejected, and processing will continue to the third functional group.

The 999 transaction set is designed to report on adherence to IG level edits and CMS standard syntax errors as depicted in the CMS edit spreadsheet. Three (3) possible acknowledgement values are:

- "A" - Accepted
- "R" - Rejected
- "E" - Accepted with non-syntactical errors

### 277 CA - Claim Acknowledgement Report

After the file is accepted at the interchange and functional group levels, the third level of editing occurs at the transaction set level within the CEM in order to create the Claim Acknowledgement Transaction (277CA) report. The CEM checks the validity of the values within the data elements. For instance, data element N403 must be a valid nine (9) digit zip code. If a non-existent zip code is populated, the CEM will reject the encounter.

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The 277CA is used to return a reply of "accepted" or "rejected" at the claim level of the encounter. Acceptance at this level is based on the WPC and the CMS edits spreadsheet, and will apply to individual encounters within an ST-SE transaction. The 277CA is an unsolicited acknowledgement report from CMS to MAOs and other entities. For those encounters not accepted, the 277CA will detail additional actions required of MAOs and other entities in order to correct and resubmit those encounters.

*NOTE: More information can be found by downloading the current CMS Companion Guide:*  
<https://www.cms.gov/MFFS5010D0/>