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## Chapter 4 – Encounter Error Resolution

### I. INTRODUCTION

This chapter provides an explanation of various files and reference information routinely provided by the Arizona Health Care Cost Containment System (AHCCCS) to Contractors to understand the status of encounters that have completed the AHCCCS encounter adjudication cycle and assist Contractors in the correction of failed encounters.

Contractors are liable for resolving encounters denied or pended by AHCCCS. Contractors must research encounters denied by AHCCCS and, when appropriate, resubmit with revised data. Pended encounters must be corrected or voided, and voids tracked. This chapter outlines actions that Contractors may take to resolve pended encounters.

### II. AHCCCS ENCOUNTER STATUS REPORTS

Whenever AHCCCS accepts and adjudicates Contractor submitted encounter files, AHCCCS produces encounter Status Files (277U Unsolicited Status and 277S Supplemental Status) after adjudication processing cycle. These files contain information regarding each encounter's adjudication status. Additional details regarding the 277U File can be found in the 277 Unsolicited Encounter Status Companion Document on the AHCCCS website at

[www.azahcccs.gov/Resources/Downloads/EDIChanges/AZ\\_277U\\_Companion\\_Docv20160902.pdf](http://www.azahcccs.gov/Resources/Downloads/EDIChanges/AZ_277U_Companion_Docv20160902.pdf).

Additional information regarding the 277S File can be found in the 277S Supplemental File at

[www.azahcccs.gov/Resources/Downloads/Contractor/Tables/277SFileLayoutTable.pdf](http://www.azahcccs.gov/Resources/Downloads/Contractor/Tables/277SFileLayoutTable.pdf). AHCCCS

Technical Interface Guidelines (TIG) – Encounter, File Layouts can be found at

[www.azahcccs.gov/Resources/Contractor/Manuals/TIG/Encounters/Tables/encounterTables.html#277S](http://www.azahcccs.gov/Resources/Contractor/Manuals/TIG/Encounters/Tables/encounterTables.html#277S).

AHCCCS also produces a Pended Encounter File for pended encounters at the conclusion of adjudication processing. This file contains all encounters pending in the AHCCCS Pre-paid Medicaid Management Information System (PMMIS) database. Contractors use the information in this file to change or approve specific pended encounters. Contractors then submit to AHCCCS a Pended Encounter File indicating the appropriate revisions necessary to clear the pends and allow the records to achieve adjudicated/approved status (status code 31). The Pended Encounter File Layout is located at [www.azahcccs.gov/Resources/Downloads/Contractor/Tables/PendFileLayoutTable.pdf](http://www.azahcccs.gov/Resources/Downloads/Contractor/Tables/PendFileLayoutTable.pdf). Contractors should utilize the Pended Encounter Correction file process to override those encounters allowed for batch override.

**IMPORTANT NOTE:** The New Day encounter submission process must be used to submit Voided or Replacement Encounters for pended encounter edits related to errors in AHCCCS member ID, service provider ID, plan ID, financial data, paid units, payer data, and claim adjustment status data, as these errors cannot be corrected using the Pended Correction File.

**III. ENCOUNTER EDIT CODE REPORTS**

The Encounter Edit Resolution Report provides Contractors with information related to correcting various types or groups of specific pend errors. It provides various edits by form type, the fields involved in the edit, and how to correct the pend. It indicates if the correction must be made by submitting a replacement or void encounter, or if it can be corrected using the pend file or online PMMIS correction process. The Edit Status Report is a matrix of encounter edit codes to the following six (6) AHCCCS form types, indicating which edits/audits apply to which form types.

Form Type Indicator	Form
A	HCFA 1500
C	NCPDP
D	AMA DENTAL
I	UB04 "I" NPATIENT HOSPITAL
L	UB04 "L" LONG TERM CARE FACILITY
O	UB04 "O" UTPATIENT HOSPITAL

The "S" columns in the matrix indicate whether the code will produce an encounter status of pend (Y) or denial by AHCCCS (D). Blanks in the form type "S" status field indicate that the edit is turned off for that form type. Values in the "LV" and "LC" columns indicate the staff level at AHCCCS required to adjust an encounter in PMMIS and override pends. Certain encounter edits and audits may be overridden by Contractor staff directly in the PMMIS system.

Check the AHCCCS website for a guide to online pend corrections using PMMIS and a sortable Excel version of this Edit status report to aid Contractors further in managing pends and denials.

An Edit Status Report is available on the AHCCCS website at

<https://www.azahcccs.gov/PlansProviders/Downloads/Encounters/adjudication/EncounterEditStatusListV2.pdf>.

**IV. ENCOUNTER PEND EDIT/AUDIT CODE STRUCTURE**

The encounter pend edit/audit codes are four (4) digits alphanumeric (X999) with a leading alpha code that indicates logical grouping of edit reasons. Recognizing the alpha grouping structure helps to improve understanding and aid efficiency when Contractor staff is managing or working to clear pends. It provides a basis for parsing internal Contractor pend correction reports making encounter pend correction more efficient. Below is the alpha character key.

Alpha	Group Description	Form Types
A	COB/TPL and Parity Edits	All
C	Pharmacy RX field validity editing	C only
D	Diagnosis validity and age/gender/diagnosis relational editing	A, I, L, O
F	Line level validity and relational editing	A, D
G	Dental validity and relational editing	D only
H	Validity editing for required fields	All
I	ICD_9 Procedure code validity and Age/Gender relational editing_	I, L, O

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Alpha	Group Description	Form Types
N	Pharmacy and NDC coverage editing	C only
P	Provider related editing (enrollment, coverage, restrictions)	All
R	Recipient related editing (member eligibility, benefit other insurance coverage, plan enrollment)	All
S	Service code validity, coverage, and relational editing	All
T	Inpatient hospital editing including Tier editing	I only
U and V	UB validity and relational editing for header and lines (including condition, occurrence value, dates, revenue, revenue to CPT procedure)	I, L, O
Z	Exact and near duplicate pend editing, overlapping claims AND AHCCCS denials for header and line values(plan, provider, NPI, and more)	All

**NOTE:** Validity Editing = missing required values or invalid values/codes. Relational Editing = invalid coding combinations across multiple fields. “All” value in form types = certain edits in this grouping relate to many or all form types.

**V. PENDED ENCOUNTER CORRECTION AND COMMENT FILES**

The tables are ordered by record type, and include the data field name, field size, and in some cases, additional information regarding reporting requirements. Deviation from these requirements may cause a file to fail or an encounter to re-pend. The Pended Encounter File Record Layout is located at [www.azahcccs.gov/Resources/Downloads/Contractor/Tables/PendFileLayoutTable.pdf](http://www.azahcccs.gov/Resources/Downloads/Contractor/Tables/PendFileLayoutTable.pdf). The Comment File Layout is located at

[www.azahcccs.gov/Resources/Downloads/Contractor/Tables/CommentFileLayoutTable.pdf](http://www.azahcccs.gov/Resources/Downloads/Contractor/Tables/CommentFileLayoutTable.pdf).

This file contains comments intended to aid in the correction of select pended encounters.

**VI. PENDED ENCOUNTER CORRECTION FILE RECORD TYPES**

- T0 - Header record - reflects the start of the file.
- T9 - Trailer record - reflects the end of the file.
- C# - All related C1 - C5 records contain a common CRN. When the error relates to a header, the last three (3) positions of the CRN will be “000.” When the error relates to a detail line, the last three (3) positions of the CRN must be the appropriate line number.
- C1 - Required. There is only one “C1” record per encounter (invoice). This record is followed by all the header and detail error records related to the encounter (invoice).
- C2 - Optional. This record relates to header errors only. It contains the error codes that have pended. There is only one “C2” record per encounter invoice.

**NOTE:** This record is required when approving an encounter that pended as a duplicate of a previously accepted encounter.

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- C3 - Required. This record is associated with the “C2” record. It contains key fields relating to the error, such as field name, original value, new value (if any), and action mode (defaulted to "N"). There may be many “C3” records for each “C2” record. Corrections are made on “C3” records by putting correct values into relevant fields and setting the action mode.
- C4 - Optional. This record relates to detail line errors. It contains the error codes that have pended. There is one “C4” record per detail line.  
**NOTE:** This record is required when approving an encounter that pended for being a duplicate of a previously accepted encounter.
- C5 - Required. This record is associated with the “C4” record. It contains key fields relating to the error, such as field name, original value, new value (if any), and action mode (defaulted to "N"). There may be many “C5” records for each “C4” record. Corrections are made on the C5 records by putting correct values into relevant fields and setting the action mode.

**VII. SUBMISSION OF CORRECTED PENDED ENCOUNTERS**

It is not necessary for Contractors to resubmit the entire Pended Encounter File to AHCCCS. Only C3/C5 records for which an action mode other than "N" have been set should be resubmitted. When submitting encounter records with an "A" action mode, the applicable C2 or C4 records must be included. Failure to return these records will result in a rejection of the "A" action mode transaction. The C1 record must also be present whenever a C3/C5 record is resubmitted.

**VIII. ACTION MODES**

In the Pended Encounter File, contractors can take one of three (3) actions relating to a pended encounter. AHCCCS refers to these as action modes.

- C = Correct a pended encounter:
  - Allows Contractors to input new information into the "new value" field on the correction detail. The "new value" will replace the "old value" field on the AHCCCS database when Contractors submit the Pended Encounter File. To delete the contents for the "old value" field, the "new value" field must contain only spaces.
- A = Approve or override an encounter edit:
  - Allows Contractors to approve or override an encounter that is pended for specifically allowed errors. For duplicates, Contractors must verify that both services were provided and were accurately reported before approving duplicate encounters. Contractors must maintain a log for all overrides. Refer to Chapter 3.
- N = No action:
  - This is the default action mode. Contractors should leave the action mode set to "N" when no action is desired.

**NOTE:** The action mode default is “N” when the Pended Encounter File is produced. To resolve the pended status, Contractors must first choose an appropriate action mode for each pended encounter. In addition to modifying pended encounters with the change “C” action mode in the pended encounter file, Contractors may also modify pended encounters using the replacement value in the 837 or the rebill value in the NCPDP transactions. For additional information regarding replacements, please refer to the [837 Standard Companion Guide Transaction Information](#) or the [NCPDP Post Adjudicated History Transaction Companion Guide](#). An override “A” action mode is not available in the 837 or NCPDP transactions. Therefore, overrides must be submitted using the pended encounter file or entered directly in PMMIS.

Action Mode Hierarchy:

In some cases, more than one action code can be provided for one pended encounter record. When multiple action modes are submitted for the same correction header record, the following hierarchy of application shall apply:

- Action Mode A - The use of action mode “A” will result in the approval or override of the encounter line for an 837P, 837D, or NCPD encounter, or the entire encounter for an 837I. No action mode value of “C” will be applied.
- Action Mode C - If there are no entries of action mode “A” for the record, an action mode of “C” will be applied.

**IX. CONTRACTOR REQUEST TO OVERRIDE PENDED ENCOUNTERS**

Overrides that Contractors cannot complete utilizing the Pended Encounter Correction File (EC790) or online in PMMIS (EC780) should be uploaded to the SFTP Server under “hpfolder/other.” Utilizing the “Encounter Override Request Spreadsheet Template” posted on the AHCCCS website at [www.azahcccs.gov/PlansProviders/HealthPlans/encounters.htm](http://www.azahcccs.gov/PlansProviders/HealthPlans/encounters.htm) and an email notification to the AHCCCS Encounter Unit at [AHCCCSEncounters@azahcccs.gov](mailto:AHCCCSEncounters@azahcccs.gov) and to the Encounter Technical Liaison. Sufficient information must be submitted to approve and override the pend error. Failure to submit adequate information may result in a processing delay or return of the request for more information.

The override request will be acknowledged and normally processed within 30 days. AHCCCS expedites override requests related to reinsurance cases. Override requests involving reinsurance should be submitted on a separate spreadsheet and have “Reinsurance Cases” notated prominently on the request form. AHCCCS Encounters will not override encounters that Contractor staff have delegated to perform. Selected Contractor staff are assigned a security level within PMMIS that allows Contractors to override those encounters with and adjudication level of 50 and below.

**X. AUTOMATION OF BATCH PEND AND DENIAL OVERRIDE PROCESS**

The automation process is available for all pending encounter edits with an adjudication level of 50 and below and the current administrative denials submitted to the Encounter's Unit for processing. Contractors may override multiple errors for the same encounter if they are separate records in the submission file and comment reason. PMMIS screen EC790 provides a list of all edits available for this process. Edit errors that meet the criteria for an online override are listed in PMMIS on screen EC780 with an adjudication level of 50 and below. Edits with an adjudication level 51 and not listed in PMMIS screen EC790 will not be available for this process.

Contractors can submit overrides and administrative denial requests daily to the SFTP site, the automation will return two (2) text files, the success file and failure file of the final disposition of requests. Submissions will be validated to ensure the CRN is valid, in a pended status and allowed for an override. Comments are required and must state the reason for the override or denial.

**XI. PENDED ENCOUNTERS REQUIRING AHCCCS INTERVENTION**

Edits with an adjudication level 51 or above and not listed in PMMIS on screen EC790 must be submitted to the AHCCCS Encounter Technical Liaison for review and if appropriate, adjudicated. Adjudication level for those edits can be verified in PMMIS on screen EC780. These encounters will need to be submitted on the Encounters Override Request Spreadsheet Template.

Encounters totaling 200 or more that need to be overridden and above level 50, will also need to be sent to the Encounter Liaison for review and if approved, the Encounter Liaison will open ticket with the Information Services Division (ISD) to run a system override. These encounters should be submitted in a file to be overridden by pends error code and CRN. This job can accept multiple error codes, multiple comments, and multiple form types in a single request.

**XII. OTHER REFERENCE FILES**

AHCCCS also produces the following Other Reference Files, which are available from the AHCCCS SFTP server at [\shareinfo\reference\prod\out\](#). The record layouts are located on the in the AHCCCS Technical Interface Guidelines (TIG) at [www.azahcccs.gov/Resources/Contractor/Manuals/TIG/](http://www.azahcccs.gov/Resources/Contractor/Manuals/TIG/).

**XIII. EXTRACTS**

The following extracts are useful for understanding encounter error correction process.

- Field Information (ECFLD.TXT) extract from (EC720):
  - Provides PMMIS internal field name, number, length, and type code information for each form type in relationship to Form field names. Useful in understanding PMMIS Encounter (internal field) nomenclature used in other encounter tables.
- Error-to-Field Relationship (ECERRFLD.TXT) extract from (EC735):
  - For each encounter error code this file provides listing, by form type, of fields related to each encounter edit code. File uses internal field number from EC720 provided in file above.
- Error Information (ECERR.TXT) extract from (EC745):
  - Lists all current encounter error codes and descriptions.