

**Arizona Department of Health Services**  
**Division of Behavioral Health Services**  
**PROVIDER MANUAL**  
**Community Partnership of Southern Arizona (CPSA Edition)**

**Section 8.1**                      **Encounter Validation Studies**

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**8.1.1 Introduction**

The Center for Medicare and Medicaid Services (CMS) requires the Arizona Health Care Cost Containment System (AHCCCS) to conduct encounter validation studies as a condition for receiving Federal Medicaid funding. The Arizona Department of Health Services/Division of Behavioral Health Services (ADHS/DBHS) requires the Regional Behavioral Health Authorities (RBHAs) to conduct encounter validation studies of their providers. For guidelines on the RBHA data validation process, see the Office of Program Support Operations and Procedures Manual.

The purpose of encounter validation studies is to compare recorded utilization information from a clinical record or other source with submitted encounter data. The review “validates” or confirms that covered services are encountered timely, correctly and completely.

The purpose of this section is to:

- Inform behavioral health providers that encounter validation studies may be performed by AHCCCS , RBHAs and/or ADHS/DBHS staff; and
- Convey ADHS/DBHS expectation that behavioral health providers cooperate fully with any encounter validation review that AHCCCS, RBHAs and/ or ADHS/DBHS may conduct.

**8.1.2 References**

The following citations can serve as additional resources for this content area:

[AHCCCS/ADHS Contract](#)

[ADHS/T/RBHA Contracts](#)

[Section 3.9, Assessment and Service Planning](#)

[Section 3.13, Covered Behavioral Health Services](#)

[Section 4.2, Behavioral Health Medical Record Standards](#)

[Section 6.1, Submitting Claims and Encounters](#)

[Section 6.2, Submitting Claims and Encounters to the RBHA](#)

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[ADHS/DBHS Covered Behavioral Health Services Guide](#)

[Office of Program Support Operations and Procedures Manual](#)

### **8.1.3 Scope**

#### **To whom does this apply?**

All behavioral health providers under contract with a RBHA or a RBHA network that deliver covered behavioral health services to eligible persons.

### **8.1.4 Did you know...?**

- The majority of correctness errors found are caused by invalid procedure or revenue codes not coding the diagnosis to the correct level of specificity. Coding from the ICD-9 is required on all encounter submissions.
- RBHAs are required to conduct encounter validation studies of their providers on a quarterly basis.
- If determined appropriate, ADHS/DBHS and the RBHAs can pass down sanctions for non-compliance with encounter submission requirements to behavioral health providers.

### **8.1.5 Objectives**

To communicate an overview of data validation studies and the expectation for behavioral health providers to cooperate with all activities associated with AHCCCS' or ADHS/DBHS data validation review.

### **8.1.6 Procedures**

#### **8.1.6-A. Criteria used in encounter validation studies**

The criteria include timeliness, correctness and omission of encounters. These criteria are defined by AHCCCS as follows:

- Timeliness- The time elapsed between the date of service and the date that the encounter is received at CPSA;
- Correctness- A correct encounter contains a complete and accurate description of a covered behavioral health service provided to a person. Correctness errors frequently identified include, but are not limited to, invalid procedure or revenue codes and ICD-9 diagnoses not reported to the correct level of specificity; and
- Omission - Provider documentation shows a service was provided, however, an encounter was not submitted.

In addition, Assessment compliance must be monitored by the RBHA in accordance with Section 3.9, Assessment and Service Planning.

CPSA will perform quarterly Data Validation Studies for the direct contracted service providers. CPSA selects a random sample of encounters /claims and examines the provider member file for documentation which will verify the correctness of the reported encounter/claim. Specifically, the service date, diagnosis, service code, place of service code, unit of service encountered to

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CPSA must agree with the signed progress note. CPSA reviews from the progress note in the member's chart to claims/encounters adjudicated in the Health Trio Xpress system to verify that the direct contracted providers are reporting all valid contractual services provided to CPSA members.

**8.1.6-B. Behavioral health provider responsibilities**

Behavioral health providers must deliver covered services in accordance with the [ADHS/DBHS Covered Behavioral Health Services Guide](#). Behavioral health providers must document adequate information in the clinical record and submit encounters in accordance with Section 6.2, Submitting Claims and Encounters to the RBHA.

**8.1.6-C. Encounter validation study findings**

RBHAs are required to report the data validation findings to the provider.

**8.1.6-D. AHCCCS Encounter Data Validation**

AHCCCS performs yearly data validation studies. All AHCCCS contractors and subcontractors are contractually required to participate in this process. In addition, the data validation studies enable AHCCCS to monitor and improve the quality of encounter data. Information regarding AHCCCS Encounter Data Validation Study procedures can be found in the Office of Program Support Operations and Procedures Manual.