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February 19, 2009

Vicki Kunerth
Minnesota Department of Human Services
540 Cedar Street
Mail Stop: 0986
St Paul, MN 55155

RE: Encounter Data

Dear Vicki:

At the February 2, 2009 DHS/Council quarterly meeting, we briefly discussed the health plans request to meet with you to pursue opportunities for even more efficient and accurate encounter data and processes. We appreciate your willingness to meet. This letter provides additional background for your information.

Recently, Council members have formed a DHS encounter data work group, focused on identifying opportunities for improvements in processes. The work group will not address issues related to MN-HIE or MDH and CMS encounter data.

The following are issues we'd like to discuss with you.

- 1) DHS requires that all providers are enrolled with DHS even if they already have an NPI. DHS is requiring that all provider NPIs in the encounters are pre-registered with DHS which is inconsistent with HIPAA requirements. Submitting and registering NPIs is complex and contributes to administrative costs for health plans and DHS without benefit to the encounter data.
- 2) DHS denies encounters on the electronic remittance advice (835 format) by applying FFS edits that are not appropriate for managed care. The sheer volume of claims that are denied by DHS causes challenges for health plans.
- 3) Health plans would appreciate that all specification or internal processing changes are sent to MCOs 60 days in advance and in writing. Health plans would also appreciate having all changes made to the specifications, put into the Encounter Companion Guide. The guide should be updated and posted on-line with notice to the health plans. These changes will help improve communications. Recently, DHS turned on a front-end rejection of pharmacy claims that are submitted without an NPI. This change came with only the most minimal of notice and explanation.
- 4) Plans would like DHS to consider eliminating the limit of 5,000 encounter claim

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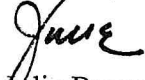
We have identified two possible dates for a meeting:

3/2 from 3-5 pm
3/20 from 2-4 pm

We hope that one of those dates works for you and other DHS staff.

In case you don't have meeting space at DHS, the Council has space available on 3/20. Again, thank you for your willingness to work with us.

Sincerely,



Julie Brunner
Executive Director

CC: Janny Brust
Brian Osberg
Karen Peed
Chandra Breen