

**Department Report Evaluation**  
(FY2020 Appropriation Act - Public Act 67 of 2019)

**May 30, 2020**

***Sec. 1792. By April 30 of the current fiscal year, the department shall evaluate pharmacy encounter data through the first two quarters of the fiscal year to determine, in consultation with the Medicaid health plans, if rates must be recertified. By May 30 of the current fiscal year, the department shall report the evaluation results to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, the state budget office, and the Medicaid health plans.***



## **Boilerplate section 1792**

The Michigan Department of Health and Human Services (MDHHS) evaluates encounter data submitted by the managed care health plans on an ongoing basis through several processes:

- First, the data is evaluated against informational and rejecting edits when loaded into the data warehouse.
- Second, encounter volume and timeliness reporting are shared with the health plans on a monthly basis.
- Third, through the Encounter Quality Initiative the data is compared to information submitted by the managed care health plans to identify variances.
- Fourth, on a monthly basis, the MDHHS encounter quality team meets with each managed care entity to discuss the monthly report results and any data quality questions or concerns that either entity may have.
- Finally, encounters are subject to other ad hoc reviews and processes

Through each of these steps, health plans are encouraged to correct any discrepancies or errors in the encounter data.

As a result of this ongoing process, MDHHS has worked closely with the Medicaid managed care health plans to identify potential duplicate pharmacy encounters and to get duplicates voided in the Community Health Automated Medicaid Processing System (CHAMPS) data warehouse. MDHHS has also added clarification to the National Council for Prescription Drug Programs (NCPDP) Guidance document that the submitted paid date and paid amount on pharmacy encounters should reflect the amount and date the pharmacy was paid.