

# Policy Clarification #PC000292

## Encounter Data Claims Merging

March 10, 2025

To: Iowa Medicaid Managed Care Plans

This letter is a formal notification of the state's expectations related to the operations and implementation of Iowa Medicaid under the managed care program. This purpose of this letter is to do following:

- Provide formal guidance
- Clarification of existing Iowa Medicaid policy
- Guidance on new process or policy
- Request for information

The purpose of this update is to provide guidance regarding the submission of encounter data. Contract Section K.43. *Definition of Uses of Encounter Claims* states:

*The Contractor shall submit an encounter Claim to the Agency, or its Designee, for every service rendered to an Enrolled Member for which the Contractor either paid or denied reimbursement. The Contractor shall ensure encounter data provides reports of individual patient encounters with the Contractor's Provider Network. The Contractor shall ensure these Claims contain fee-for-service equivalent detail as to procedures, diagnoses, place of service, units of service, billed amounts, reimbursed amounts, and Providers' identification numbers. The Agency will use encounter data to calculate the Contractor's future capitation rates, with alternative data sources utilized as appropriate to meet actuarial and federal standards. Encounter Claims data may also be a source used by the Agency to calculate certain liquidated damages assessed to the Contractor.*

Merging of individual claims is not allowed in fee-for-service claims processing.

To maintain fee-for-service equivalence, each claim adjudicated by a Managed Care Plan should be submitted to Iowa Medicaid as its own encounter without being merged with other claims prior to submission.

### **Related Policy Clarifications:**

This policy clarification should be used in correlation with the following policy clarifications: NONE

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This formal guidance impacts capitation rates in the following manner:

- This is an Iowa Medicaid practice prior to April 1, 2016 and was included in the experience used to develop the capitation rates.
- This is a new process or policy that does not have a fiscal impact.
- This is a new process or policy that will be reflected in revised capitation rates and implemented July 1, 2021.