



Analysis of TennCare Encounter Processing

December 30, 2025

Background

TennCare initiated an independent audit of its encounter data to fulfill the requirements of 42 CFR 438.602(e). This regulation requires states to periodically, at least once every three years, audit the accuracy, truthfulness, and completeness of encounter and financial data submitted by or on behalf of each Managed Care Organization (MCO), Prepaid Inpatient Health Plan (PIHP), or Prepaid Ambulatory Health Plan (PAHP).

This report defines the scope, methodology, and results of Guidehouse's audit of Tennessee's encounter data. The audit covers one year of encounter claims data (January 1, 2023, through December 31, 2023). All claim types are reviewed, except for dental and pharmacy benefits, which are managed separately. The audit evaluates the accuracy, truthfulness, timeliness, and completeness of TennCare's encounter claims data.

Summary Findings

Guidehouse reviewed state-submitted all timeliness, accuracy, and completeness reports and encounter data using the People-Process-Technology framework, which we used to issue our findings and recommendations. We found that TennCare has thorough and mature processes and procedures, appropriate technical standards, and maintains appropriate contracting requirements and staffing. TennCare's encounters show few citable threshold edits as a percentage of total encounters (<0.01%).