

2025 TENNCARE ENCOUNTERS REVIEW

UnitedHealthcare Community & State

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UNITEDHEALTH GROUP

Internal Audit &
Advisory Services

UnitedHealthcare Community & State – 2025 TennCare Encounters Review

Executive Summary

Advisory Background

TennCare is the state of Tennessee's Medicaid program that provides health care for approximately 1.4 million Tennesseans and operates with an annual budget of approximately \$19.2 billion. The eligibility for TennCare is determined by the State in accordance with federal requirements and state law and policy. TennCare covers Medicaid mandatory eligibility groups of low-income individuals such as pregnant women, children, parents or caretaker relatives of minor children, older adults, and adults with disabilities. TennCare is divided into three regions: West, Middle, and East. Within each region, managed-care organizations (MCO) are contracted to provide medical, behavioral and Long-Term Services and Supports (LTSS) coverage to eligible members. UnitedHealthcare Plan of the River Valley, Inc. (the Plan), a subsidiary of UnitedHealth Group (UHG), has contracted with TennCare to provide managed care services to the West, Middle, and East regions of Tennessee. The TennCare contract requirement A.2.21.11.1.2 states that "an audit of encounter records submitted to TENNCARE which is adequately supported by claim records" must be performed on an annual basis.

Advisory Approach

IAAS, in coordination with UnitedHealthcare Community & State Tennessee Compliance, examined the contract, and performed Agreed Upon Procedures (AUP) to determine if encounter records submitted to TennCare are adequately supported by claim records. IAAS obtained an understanding of operations and tested compliance with the contract on a sample basis. IAAS sampled from encounter submissions to TennCare throughout calendar year 2025 (see procedures on page 3). IAAS conducted procedures in accordance with the Institute of Internal Auditors Global Internal Audit standards.

Summary of Results

IAAS identified no instances of non-compliance.

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Detailed Results

Reference	Contract Requirement	Procedures	Findings/Agreed Upon Action Plan
A.2.21.11.1.2	An audit of encounter records submitted to TENNCARE which is adequately supported by claim records.	For calendar year 2025, select a sample of 5 weeks and sub-select 10% (not to exceed 25) of claims and verify: - Submitted Encounters data agrees to source documentation. IAAS selected 5 weeks per established IAAS methodology. For the selected weeks, IAAS obtained Encounter submission (837) files for the institutional and professional file types across all three regions (East - 29, West - 30, and Middle - 31) and haphazardly selected 10% (not to exceed 25 claims) of claims. IAAS then agreed the following attributes from the Encounter record submitted to the State (837 file) to the original claim image or the claims adjudication engine (CSP Facets): 1 - Claim # 2 - Provider name 3 - Provider Tax ID / NPI 4 - Patient name 5 - Patient control # 6 - Billed amount 7 - Date of service 8 - Procedure code 9 - Modifier 10 - Units 11 - Revenue code (institutional only) 12 - Paid amount	IAAS noted no instances of non-compliance.