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April 21, 2025

MEMORANDUM

<u>MEMO NO</u>.
QI-2508
CCS-2502

TO: QUEST Integration Health Plans
        Community Care Services

FROM: Judy Mohr Peterson, PhD
        Med-QUEST Division Administrator

SUBJECT: IMPLEMENTATION OF ENCOUNTER EDITS P406 & P375

This memo is to inform you that the Med-QUEST Division (MQD) will be implementing two new encounter edits effective August 1, 2025, as part of the verification process. These edits will ensure that the Billing Provider's Tax ID submitted is valid within our system and that the Rendering Provider ID is correctly associated with the Billing Provider ID. These edits will apply only to Form Types A (1500) and B (IP, OP & LTC [inpatient, outpatient and long-term care]).

Encounter Edits Step-By-Step Logic:
1. **P406 - Billing Provider Tax ID is Missing or Invalid**
   o Verify that a Billing Tax ID was submitted.
   o Ensure the submitted Billing Tax ID matches the Tax ID of any Pay-To Address(es) listed under the corresponding Billing Provider's Medicaid ID in our system.
   o If the Tax ID is found, the system will check whether the Date of Service on the encounter falls within the Tax ID's active period.
   o If any of these conditions are **not** met, a P406 error will be generated, and the system will **not** proceed to P375 validation.

- o If the encounter successfully passes P406 validation, it will then move to the P375 logic.

2. **P375 - Service Provider/Group Affiliation Not Found**
   - o Verify that the Billing Provider ID is listed under the Rendering/Servicing Provider ID on the Provider Association table in our system.
   - o Ensure the Service Begin Date is greater than or equal to the begin date in the Provider Association table.
   - o If any of these conditions are **not** met, a P375 error will be generated.

Additional Considerations
- If the Billing and Rendering/Servicing Provider IDs are the same, the P375 validation will be bypassed.
- These edits will initially be set to "soft" pend for approximately six months, allowing MQD to review our internal Soft Edits Report to ensure appropriate processing.

Please review this information and prepare accordingly for the implementation. If you have any questions or require additional clarification, please email our Encounters mailbox at: mqd-encounters@dhs.hawaii.gov.