



TENNESSEE DEPARTMENT OF HEALTH
DIVISION OF HEALTH STATISTICS
PATIENT RECORD DATA SYSTEMS
CORDELL HULL BUILDING, FOURTH FLOOR
425 FIFTH AVENUE NORTH
NASHVILLE, TN 37243

TO: All Tennessee Hospitals

FROM: George Wade, Manager, Patient Record Data Systems
Division of Health Statistics, Tennessee Department of Health

SUBJECT: Commencement of Penalty Enforcement for Excessive Reporting Errors

DATE: November 2, 2007

For the past year we have been sending quarterly notices to facilities whose quarterly error rate has exceeded the two percent (2%) maximum allowed by the Department of Health. Penalization for errors is authorized under Rule 1200-7-3-.04 of the Rules of the Tennessee Department of Health.

Paragraph (5) of the above rule concerns reporting errors: "For all 2006 discharges, the allowable error rate will be no more than 3%. For all discharges in 2007 and subsequent years, the allowable error rate will be no more than 2%. Records that fall within the acceptable rate will not be subject to any penalties. Hospitals that exceed the acceptable error rate will be penalized based on total errors."

Beginning with data reported for the first quarter of 2008, the Department will begin enforcement of this error rate. Quarterly error rates above 2% will be penalized per the reporting legislation and the rules of the Department. Penalties for facilities exceeding the 2% maximum will be based on the number of claims with one or more fatal errors submitted for that quarter. Hospitals have had, and will continue to have, the opportunity to correct their data after reviewing their quarterly error reports.

Since this will only be the third quarter for reporting data in the UB-04 format, only fields reported for UB-92 data will be included as fatal errors and used in penalty rate calculation for at least the first two quarters of 2008 records. New UB-04 fields will only be warnings on your edit reports for those quarters.

If you have any questions you can reach me at (615) 532-7883.

xc Marguerite Lewis, Director
Division of Health Statistics

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