



TOBY DOUGLAS  
DIRECTOR

State of California—Health and Human Services Agency  
Department of Health Care Services



EDMUND G. BROWN JR.  
GOVERNOR

DATE: December 19, 2014

ALL PLAN LETTER 14-019  
SUPERSEDES ALL PLAN LETTER 13-006

TO: ALL MEDI-CAL MANAGED CARE HEALTH PLANS

SUBJECT: ENCOUNTER DATA SUBMISSION REQUIREMENTS

### PURPOSE

The purpose of this All Plan Letter (APL) is to supersede APL 13-006 and further specify to the encounter data submission requirements for all Medi-Cal managed care health plans (MCPs) as set forth in the MCP contracts.

### BACKGROUND

MCPs have historically met their contractual requirement to submit encounter data to the Department of Health Care Services (DHCS) utilizing a variety of proprietary and standard formats. Most MCPs have primarily submitted encounter data to DHCS in the Encounter Data Format in accordance with the “Encounter Data Element Dictionary for Managed Care Plans, Version 2.0.” Other MCPs have submitted professional and inpatient encounter data to DHCS in the S-35C format in accordance with the “Paid Claims and Encounters Standard 35C-File Data Element Dictionary, Version 1.9,” and pharmacy data in accordance with the National Council for Prescription Drug Programs (NCPDP) 2.2 format.

### REQUIREMENTS/POLICY

DHCS, in support of its ongoing encounter data quality improvement initiatives, effective January 1, 2015, will only accept national standard file formats for encounter data submissions.

#### 1. Submission Format

MCPs are now required to submit encounter data in the following Health Insurance Portability and Accountability Act compliant national standard transactions in accordance with the most recent DHCS Companion Guides issued for each transaction type:

- a) Institutional encounter data shall be submitted in compliance with the Accredited Standards Committee (ASC) X12 837 Institutional (837I), version 5010 x223;

- b) Professional encounter data shall be submitted in compliance with the ASC X12 837 Professional (837P), version 5010 x222; and
- c) Pharmacy encounter data shall be submitted in compliance with the NCPDP Encounter Data Transaction format, Post Adjudication Payer Sheet version 2.2 or 4.2.

Once an MCP transitions to the formats specified above, it will no longer be required to submit separate pharmacy and Physician Administered Drug (PAD) files to DHCS for the State Pharmacy Rebate Program. Instead, DHCS will extract the pharmacy and PAD data necessary to collect drug rebates from each MCP's standard encounter data submissions.

## 2. Submission Process

MCPs are required to submit complete, accurate, reasonable, and timely encounter data on at least a monthly basis. DHCS will also allow MCPs to submit on a more frequent basis if preferable.

All managed care encounter data must be submitted through the DHCS Secured File Transfer Protocol (SFTP) site. DHCS has established SFTP accounts for each MCP and has granted access to the MCP's identified personnel who were allocated secure access on its behalf. Each MCP has a set of two SFTP folders for Test and Production submissions that includes a "Submit" folder and a "Response" folder. MCPs can submit encounter data files by saving them in the "Submit" folder where DHCS's system will automatically pick up the files for processing. Once a file has been successfully processed, it will automatically remove the files from the "Submit" folder and DHCS will post a response file(s) to the "Response" folder as confirmation.

MCPs must not change the SFTP folder structures in any way as this will disrupt file processing.

## 3. Response Files

MCPs are responsible for monitoring their "Response" folders and picking up all response files in a timely manner. DHCS will be returning one or a combination of the following response files for each submitted encounter data file.

- a) 999 Acknowledgement Transaction;
- b) 277U Claim Status Transaction; and/or
- c) Encounter Validation Response (EVR) Extensible Markup Language (XML) file.

The response files will provide details on whether a file was accepted or rejected and whether an encounter data record was accepted or denied. If errors were found in the encounter data files submitted, it will result in a rejected file and/or denied encounter data record.

#### 4. Correction of Encounter Data

If an encounter data file submission is rejected, it must be resubmitted as a new original file.

If an encounter data file submission is partially accepted, the rejected transactions must be resubmitted as a new original file.

If an encounter data record is denied, it must be corrected with either a void or replacement record. A void record can be used to delete the original encounter data record submitted, implying that it was reported in error. A replacement record can be used to modify the original encounter data record to address a quality issue. For technical guidance on the void or replacement process, please reference the most recent DHCS Companion Guides.

MCPs must correct rejected files and denied records within 15 calendar days after the response file is posted. Upon the MCP's written request, DHCS may grant an extension for submission of corrected encounter data.

#### 5. Submission Tracking

MCPs will be required to complete and submit an Encounter Data Submission Reconciliation Form (EDSRF) to DHCS on a monthly basis. The EDSRF is a document that MCPs will use to track encounter data file submissions. DHCS will use the information collected to validate that all transmitted files are received to ensure data completeness.

Please note that the most recent versions of DHCS Companion Guides and EDSRF template will be distributed to all MCPs via email. DHCS will also provide these documents upon request. To request these documents, please contact Aaron Toyama, Chief of the Program Data Section, Managed Care Quality and Monitoring Division of DHCS, at [aaron.toyama@dhcs.ca.gov](mailto:aaron.toyama@dhcs.ca.gov) or [MMCDEncounterData@dhcs.ca.gov](mailto:MMCDEncounterData@dhcs.ca.gov).

The revised encounter data submission requirements described in this APL are effective January 1, 2015. Contract amendments with the new requirements are forthcoming.

If you have any questions regarding the requirements in this APL, please contact Aaron Toyama, Chief of the Program Data Section, Managed Care Quality and Monitoring Division of DHCS, at [aaron.toyama@dhcs.ca.gov](mailto:aaron.toyama@dhcs.ca.gov) or [MMCDEncounterData@dhcs.ca.gov](mailto:MMCDEncounterData@dhcs.ca.gov).

Sincerely,

*Original Signed by Sarah C. Brooks*

Sarah C. Brooks, Chief  
Managed Care Quality and Monitoring Division  
Department of Health Care Services