



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



EDMUND G. BROWN JR.  
GOVERNOR

DATE: December 30, 2015

MHSUDS INFORMATION NOTICE NO.: 15-055

TO: COUNTY BEHAVIORAL HEALTH PROGRAM DIRECTORS  
COUNTY DRUG & ALCOHOL ADMINISTRATORS  
COUNTY BEHAVIORAL HEALTH DIRECTOR'S ASSOCIATION  
CALIFORNIA COUNCIL OF COMMUNITY MENTAL HEALTH AGENCIES  
COALITION OF ALCOHOL AND DRUG ASSOCIATIONS  
DRUG MEDI-CAL DIRECT CONTRACT PROVIDERS

SUBJECT: ELECTRONIC FUNDS TRANSFER ENROLLMENT PROCESS AND  
HEALTH CARE CLAIM PAYMENT/ADVICE (835) CHANGES

RELATED REGULATIONS: Affordable Care Act (ACA), Section 1104

The Department of Health Care Services (DHCS) Mental Health and Substance Use Disorder Services (MHSUDS) is pleased to announce the implementation of the Electronic Funds Transfer (EFT) enrollment process. The tentative EFT deployment date is scheduled for December 31, 2015. The EFT process provides Trading Partners (TP) with the option to receive electronic payments for submitted claims as opposed to paper warrants. Participation in the EFT enrollment process is not a mandatory requirement for TPs.

### **Background**

Section 1104 of the Affordable Care Act (ACA) mandates health plans to support EFT transactions as a standard of the Health Insurance Portability Accountability Act. Currently TPs submit 837 claim files to a secured Information Technology Web Services (ITWS) site to be adjudicated by Short Doyle Medi-Cal (SDMC). Once the adjudication process is complete, the TPs receive a paper warrant and an 835 electronic remittance advice (ERA) from the ITWS system.

### **EFT Enrollment Process**

To participate in the EFT enrollment process, each TP is required to register and establish a user profile in the ITWS system. This creates an initial ITWS membership. After enrollment in ITWS, the TP can request to participate in the EFT process by clicking on the "Request Additional Membership" button under the "Utilities" tab, which contains the EFT Enrollment Form. The EFT Enrollment Form must be completed twice: once in the test environment (staging) and again in production. The last step requires the TP to complete and electronically submit the EFT Enrollment Form to MHSUDS. Upon receipt, MHSUDS has up to 60 calendar days to process the EFT Enrollment Form. EFT enrollment instructions are located on ITWS and are also included in Enclosure 2, Trading Partner Electronic Fund Transfer Enrollment Procedural Guidelines.

### **EFT Enrollment Benefits**

EFT offers a consistent and uniform way for providers to reconcile the EFT payment and the 835 ERA, and will help to improve the following:

- Alleviate posting delays;
- Increase the ability to conduct targeted follow-up with health plans and/or patients; and
- Provide accurate and efficient payment of claims.

### **Testing in Staging**

Prior to applying to enroll in the EFT production environment, TPs must test their systems. To test the EFT system changes, TPs are instructed to submit their 837 files for testing (staging) using de-identified client data. A Remedy ticket will be created by Program to track progress during testing. All email communications between DHCS and the TP during testing must reference the ticket number provided by DHCS. For more information regarding client information for SDMC testing, please see the "Short Doyle Medi-Cal Phase II Testing Strategy Trading Partners Instructions" located at: [https://itws.dhcs.ca.gov/systems/sdmc/docs/public/short\\_doyle\\_-\\_medi-cal\\_phase\\_ii.asp](https://itws.dhcs.ca.gov/systems/sdmc/docs/public/short_doyle_-_medi-cal_phase_ii.asp), v1.6 is current at the time of this Information Notice.

### **835 Changes**

Participants in the EFT process will notice changes in the 835 ERA transactions including the newly added trace number as opposed to the customary warrant number. For specific element details regarding Automatic Clearing House payment information,

see the 835 ASCX12 5010 Implementation guide located at: <http://www.wpc-edi.com/>. The 835 changes are reflected in the “Beginning Segment for the Payment Order/Remittance Advice” and the TRN “Reassociation Trace Number” segments.

### **EFT Enrollment Changes**

TPs must report all banking changes by completing the on-line EFT Enrollment Form. Changes to the bank selection, routing number and/or account number will revert the TP to paper warrant mode while EFT changes are being processed. This process will take up to 60 calendar days to finalize the EFT bank change. All other EFT changes will not revert the TP to paper warrant mode. To avoid a delay in payment, please do not close your old account until your new account is activated and receiving payments. Refer to the “EFT Enrollment Form instructions” on ITWS for more information about making changes to EFT enrollment.

### **“Opt Out” of the EFT Enrollment Process**

Pursuant to the ACA, TPs are given an opportunity to enroll in the EFT process. The EFT process provides the TPs with the option to cancel or elect not to participate in the EFT enrollment, in which case the TP would *not* complete the EFT Enrollment Form. If the TP elects to cancel EFT participation, the TP must complete the “EFT Enrollment Form” located on ITWS and select “Cancel Enrollment” under the section, “Submission Information.” Please allow up to 60 calendar days for DHCS to finalize the EFT cancellation and reinstate the TP back to paper warrants.

### **Late/Missing EFT/ERA Transactions Resolution Procedures**

DHCS will acknowledge receipt of the notification of the late/missing EFT/ERA via either: a Remedy ticket, which will be processed by Mental Health Services Division, County Claims Customer Service Office (MedCCC) or an e-mail which will be processed by Substance Use Disorders: Prevention, Treatment and Recovery Services Division (SUD-PTRSD) to the TP.

Late/Missing EFT/ERA transactions resolution procedures are available on ITWS.

For more information regarding the Specialty Mental Health Services’ EFT Enrollment process, please contact the MedCCC at (916) 650-6525 or [medccc@dhcs.ca.gov](mailto:medccc@dhcs.ca.gov).

For more information regarding the SUD’s EFT Enrollment process, please contact SUD-PTRSD at [SUDFMAB@dhcs.ca.gov](mailto:SUDFMAB@dhcs.ca.gov).

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Sincerely,

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Mental Health and Substance Use Disorder Services

Enclosures