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

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DATE: May 21, 2015

TO: ALL MEDI-CAL DENTAL MANAGED CARE PLANS

SUBJECT: **APL 15-007: Transition to Post Adjudication Claims and Encounter Data Systems (PACES)**

The purpose of this All Plan Letter (APL) is to inform the Medi-Cal Dental Managed Care (DMC) plans, the Department of Health Care Services (DHCS) will transition to Post Adjudication Claims and Encounter Data Systems (PACES), a national standard file format for dental encounter data submission. DHCS is mandated to collect and report on claims paid under Denti-Cal Fee-For-Service, and managed care encounters reported by contracted DMC plans.

Transition to PACES must be completed by Friday, June 12, 2015 and submission to the current legacy system will no longer be permitted thereafter.

Please refer to attached Dental Managed Care Encounters Transition Planning document for additional information pertaining to the PACES transition.

If you have any questions regarding this letter, please contact DHCS at dmcdeliverables@dhcs.ca.gov.

Sincerely,

Nik Ratliff, Section Chief
Contract Management & Administration Section
Medi-Cal Dental Services Division

Enclosure

Dental
Managed Care Encounters
Transition Planning

March 2015

Version 1.0

Document History (Version Control)

Version			
1.0	03/20/2015	Greg Dawson	Created

1 Overview

The Department of Health Care Services (DHCS) is mandated to collect and report on claims paid under Denti-Cal Fee-For-Service (FFS) Medi-Cal, and managed care encounters reported by contracted managed care plans.

The analysis of this data supports DHCS's mission and vision and is critical to establishing benchmarks of Medicaid services in California.

In support of DHCS' ICD-10 initiative and an ongoing need to improve encounter data quality, DHCS will be transitioning to using only national standard file formats for encounter data submission.

This document provides information about the transition process; please refer to the published companion guides for transaction details.

2   Transition Timeframe

Submission to the current legacy system will no longer be permitted as of June 12th, 2015

3   Submission Process

3.1 Location

All dental encounter data must be submitted via the DHCS SFTP site.

Two sets of SFTP folders will be set-up per dental plan.

The following folders will be made available in both Production and Test:

Submit – encounter data files will be saved by the plan in this folder.

Response – response files will be made available by DHCS in this folder.

Access to these folders will be strictly controlled; each plan must specify the personnel who will be allocated secure access on its behalf.

3.2 Frequency

Dental Managed care plans are required to submit data on a monthly basis; however, DHCS is willing to accept encounter data for processing from plans on a much more frequent basis should the plan desire to do so.

3.3 Responses

DHCS will be capable of returning any of the follow response files for a submitted encounter data file:

- 999 Acknowledgement Transaction.
- 277U Claim Status Transaction
- Encounter Validation Response (EVR) XML file that will detail all errors found for each encounter data record

Response files will be posted to the Response SFTP folder as soon as processing is complete. The time to post a response is directly related to system bandwidth, the more files that the system is processing the longer the response time interval. DHCS anticipates that response files will be made available to plans within an average of one hour of the encounter file being posted in the Submit SFTP folder.

4 Processing of Encounter Data

4.1 File Receipt

DHCS' new encounter data submission system will "poll" all SFTP "Submit" folders on a regular basis. Once an encounter data file is identified it will be brought into the system for processing, archived and deleted from the "Submit" folder. The date/time of submission is logged as the time it is picked up by our file receipt process.

4.2 File Validation

The first validation occurs at the file level and involves naming standards and duplicate file submissions. Further file level validation is applied to the ISA of the submitted file. Transactions that fail file-level validation will be rejected without any further encounter level validation being executed.

4.3 Encounter Validation

Encounter validation is a multi-part process. Initial data validation is performed by DHCS' HIPAA Compliance software Edifecs XEngine. Further data validation is performed by custom processes for items such as: provider validation (NPI), subscriber validation (CIN), duplicate encounter validation and void and replacement processing.

Any errors found during any of these processes are logged in our internal tracking database and then reported back to the submitter via the response files noted above as an encounter level denial.

Please refer to the specific companion guide documents for field-level details.

Only encounters that pass all validation edits will be accepted by the system.

While DHCS intends to report all errors found for a specific encounter, depending upon the nature of an error, this may not be possible. For example, subscriber errors where the CIN is invalid will prevent DHCS from completely executing all subscriber validation edits.

If more than 3,000 errors are detected during the processing of a submitted file, the process will be terminated and the file rejected.

4.4 Correction of Denied Encounters

Errors are reported on the response files by the Claim Control Number (CCN) located in CLM01 for 837 transactions. Plans are expected to correct these errors by replacement of the original encounter using the processes outlined in the companion guide.

5 Testing Process

5.1 Testing Plan

Initial testing will use appropriate test CINs for de-identified data. Once basic functions have been verified, each plan may submit a month of historical production data in a parallel test to validate the functionality on both sides.

Testing is expected to average about four weeks, but this depends upon individual plan results.

5.2 Test File Submission

Files will be submitted to the "Test" SFTP folders ("**Submit**" identified above); responses to these submissions will also be posted to the "Test" "**Response**" folder.

5.3 Transition Criteria

Transition criteria that will be met by each plan and plan system combination must include at least the following for 837D:

Number	Description	Condition
Dental.TC.001	Can submit all types of applicable encounters.	Submit a high volume of encounters (depends on each plan) with a high accepted encounter percentage.
Dental.TC.002	Can void and replace all types of applicable encounters.	Submit at least 10 accepted replacements, and 10 accepted voids.
Dental.TC.003	Conduct volume testing.	DHCS would expect that each plan submits test files of a similar size to their expected production submission size.
Dental.TC.004	Match a set of submissions using new data formats to latest set of legacy data formats. Show reasonable matches for all types of applicable encounters.	Submission must have less than 5% of its records denied (other than denials for invalid patient, due to constraints in the testing environment).

5.4 Transition Verification

Specific to Dental.TC.004, as a final step in validating a plan's readiness to move to the production use of the standard formats, DHCS will request a months-worth of previously submitted historical data in the new standard formats and will compare this data with the previously submitted data. This verification will establish a benchmark in encounter data quality in relation to prior submissions. DHCS expects that the data submitted in the new format when compared to the previously submitted data should be of a subjectively higher quality and will contain no more than 5% of its records found to be in error (after expected errors due to the constraints of the testing environment are omitted).

Any rejected files must be resubmitted, and plans may be required to correct specific issues by replacement.

Each Dental plan will select a specific historical month to use for the parallel test; this selected month must be confirmed by DHCS.

Once all parallel files have been submitted, each plan will provide DHCS with a comprehensive list of all files included in the test. Once this list has been verified by DHCS, the analysis of the data can be initiated.

Parallel test files must be submitted to the Test environment, with a file name containing a last node value between 98000 and 98999.

5.5 Testing Support

Plans will be able to upload testing files per their own schedule; DHCS's system will process and issue response transactions automatically.

EncounterTestingTransition@dhcs.ca.gov testing support mailbox is available for any questions or issues that plans encounter during testing.

A regularly scheduled technical testing meeting will be available to answer specific questions and to share best practices.

6 Production Transition

6.1 Current Data Resolution

Plans will be required to clean-up any outstanding issues with current legacy data submissions before transition can be initiated.

6.2 Last Current Production Submission

At some point in the testing schedule, a plan will make its last current production submission in legacy formats. Once this submission has been made and verified, the method of submission via Xerox will be disabled for that plan. The next production submission will be accepted through the new system when DHCS indicates that conversion of data as described in Section 6.3 has been completed and verified.

6.3 Production Data Conversion

Once the last current production submission has occurred, DHCS will take some time to accurately convert three years of previously submitted encounter data for use in the new system. This will enable duplicate encounters to be identified, and void and replacement functionality to be used.

6.4 First Production Submission – New System

When production readiness has been agreed upon and data conversion activities have been completed, a plan will be invited to submit its first production submission to the

new system. A small initial file(s) should be submitted through the production SFTP folder. These files will be monitored and verified as being successfully processed. Once this verification is complete the plan is cleared to submit data on an ongoing basis.