



Policy: EE.1111
Title: **Health Network Encounter Reporting Requirements**
Department: Finance
Section: Encounters

CEO Approval: /s/ Michael Hunn 05/23/2024

Effective Date: 09/01/2002

Revised Date: 05/01/2024

Applicable to:
☒ Medi-Cal
☒ OneCare
☐ PACE
☐ Administrative

I. PURPOSE

This policy establishes guidelines and timeframes within which Health Networks shall submit Encounter data to CalOptima Health.

II. POLICY

- A. A Health Network shall submit Encounter data to CalOptima Health for all Encounters that have occurred between Members enrolled in the Health Network and all subcontracted and non-contracted Providers and Practitioners.
1. A Shared Risk Group (SRG) shall submit professional Encounter data and facility outpatient Encounter data, for which the SRG is financially responsible, to CalOptima Health.
 2. A Physician-Hospital Consortium (PHC) and Health Maintenance Organization (HMO) shall submit facility and professional Encounter data to CalOptima Health.
 3. A Physician Medical Group (PMG) shall submit professional Encounter data and facility outpatient Encounter data, for which the PMG is financially responsible, to CalOptima Health.
- B. A Health Network shall submit complete, timely, reasonable, and accurate Encounter data in CalOptima Health's identified format as described in the Encounter Companion Guides. The format may change depending on the Department of Health Care Services (DHCS) or Centers for Medicare & Medicaid Services (CMS) requirements for completeness and accuracy or CalOptima Health's reporting requirements for completeness and accuracy. A Health Network must also correct and resubmit Encounter data as necessary, in accordance with Section II.D. of this Policy. CalOptima Health may impose Sanctions for non-compliance in accordance with CalOptima Health Policy HH.2002: Sanctions.
- C. Encounter data shall be submitted to, and accepted by, CalOptima Health by the twentieth (20th) day of each month for all Encounters processed during the previous calendar month. For example, Encounters processed by a Health Network during October shall be submitted, and accepted, by CalOptima Health no later than November 20.
- D. CalOptima Health has five (5) business days from the date of receipt to evaluate each Encounter submission, adequacy, data quality errors, and accuracy for acceptance or rejection of the file.

CalOptima Health shall reject Encounter submissions that do not meet CalOptima Health's timeliness, adequacy, accuracy, and reasonability standards.

1. A Health Network has five (5) business days from the rejection notification date to correct and resubmit the Encounter file.
 2. If the Health Network does not resubmit the Encounter file, CalOptima Health may find the Health Network non-compliant in meeting CalOptima Health's Encounter reporting requirements and may impose Sanctions for such non-compliance in accordance with CalOptima Health Policy HH.2002: Sanctions.
- E. A Health Network shall provide any assistance, documentation, or information requested by CalOptima Health during periodic Encounter data validation analyses and any audits to measure the quality and timeliness of Encounter data submitted by the Health Network. A Health Network shall implement policies and procedures for ensuring the complete, accurate, reasonable, and timely submission of Encounter data for all financial liability, whether directly or through participating Providers and Practitioners, or other arrangements.
- F. A Health Network new to CalOptima Health shall complete a testing process prior to submitting Encounter data to CalOptima Health in order to determine if the file layout and data content are acceptable. The testing process shall begin no later than sixty (60) calendar days after first receiving Member assignments. Such new Health Network must be granted "production" status no later than ninety (90) calendar days after first receiving Member assignments in order to begin submitting Encounter data to CalOptima Health. If testing is not completed timely, CalOptima Health may impose Sanctions for non-compliance in accordance with CalOptima Health Policy HH.2002: Sanctions.
- G. A Health Network that has already been granted "production" status may be required to complete the testing process again for any of the following reasons:
1. Change in management companies: Testing shall begin no later than sixty (60) calendar days and completed no later than ninety (90) calendar days after a management company change. If testing is not completed timely, CalOptima Health may impose Sanctions for non-compliance in accordance with CalOptima Health Policy HH.2002: Sanctions.
 2. Internal business system change: Testing shall begin no later than sixty (60) calendar days and completed no later than ninety (90) calendar days after an internal business system change. If testing is not completed timely, CalOptima Health may impose Sanctions for non-compliance in accordance with CalOptima Health Policy HH.2002: Sanctions.
 3. Change in contracted clearinghouse vendor: Testing shall begin no later than sixty (60) calendar days and completed no later than ninety (90) calendar days after a contracted clearinghouse vendor change. If testing is not completed timely, CalOptima Health may impose Sanctions for non-compliance in accordance with CalOptima Health Policy HH.2002: Sanctions.
 4. Change in financial and/or contractual model (e.g., SRG to HMO): Testing shall begin no later than sixty (60) calendar days and completed no later than ninety (90) calendar days after a financial and/or contractual model change. If testing is not completed timely, CalOptima Health may impose Sanctions for non-compliance in accordance with CalOptima Health Policy HH.2002: Sanctions.

5. Change in DHCS Encounter requirements (applicable to Medi-Cal).
6. Change in CMS Encounter requirements (applicable to OneCare).
7. Change in CalOptima Health Encounter format.
8. Continual non-compliance in meeting CalOptima Health guidelines.

III. PROCEDURE

A. Test Encounter Submission

1. An SRG shall submit a professional Encounter test file for data validation testing.
2. A PMG shall submit a professional Encounter test file for data validation testing. If a facility claim (UB92 format) is processed, the PMG shall submit a facility test claim for data validation testing.
3. A PHC or HMO shall submit one (1) test file each for facility and professional Encounter data for data validation testing.
4. Encounter files shall include an aggregate of all services rendered to Members for a one (1) calendar month period.
5. CalOptima Health shall utilize validation testing to check for completeness, adequacy, accuracy, and data format.
6. Upon approval of the submitted Encounter data, CalOptima Health shall notify the Health Network, in writing, that CalOptima Health has granted production status, and that the Health Network is to submit Encounters following the Encounter Data File Submission Rules as defined in the Companion Guides.

B. Production Encounter Submissions

1. An SRG or PMG shall send to CalOptima Health at least one (1) file for Encounter data processed in the month prior to the month of submission in the professional format. Only one (1) file per Line of Business per format (facility or professional) may be submitted on any given day. An SRG or PMG may submit outpatient services in the facility format.
2. A PHC or HMO shall send to CalOptima Health at least one (1) file each for facility and professional Encounter data processed in the month prior to the month of submission in the facility and professional formats. Only one (1) file per Line of Business per format (facility or professional) may be submitted on any given day.
3. The Health Network shall include any and all Encounter data from all subcontracted arrangements and combine this Encounter data with its monthly facility or professional file submissions.
4. Health Network submissions of Encounter data shall adhere to the guidelines specified in the Companion Guides for facility and professional claim types and data format specifications.

5. A Health Network shall comply with production schedules and other Encounter data submission deadlines upon notice by CalOptima Health.
6. Any corrections to Encounter data accepted by CalOptima Health but rejected by DHCS and/or CMS must be made and resubmitted to CalOptima Health with twelve (12) calendar days of notification to Health Network by CalOptima Health staff.
7. A Health Network shall submit Encounter data through the CalOptima Health File Transfer Protocol (FTP) site. A corresponding e-mail containing the CalOptima Health Encounter File Submission Transmittal Form is required for each production file submitted to the FTP site. CalOptima Health shall not acknowledge receipt of the Encounter file unless it receives the transmittal form.
8. CalOptima Health has five (5) business days after the date it receives the Encounter data file to evaluate the Encounter submission.
 - a. If CalOptima Health finds submitted Encounter data to be unacceptable due to format issues, errors exceeding the allowed tolerance percentages, or invalid data elements, CalOptima Health shall reject the file.
 - b. CalOptima Health shall send the Health Network a rejection notification in which it notifies the Health Network that it has five (5) business days after the rejection notification date to correct and resubmit the Encounter file to CalOptima Health.
 - c. The Health Network shall take the necessary corrective action(s) and resubmit a corrected Encounter file within five (5) business days after receipt of the rejection notification in order to maintain program compliance.
9. Corrected or resubmitted Encounter files shall contain the same record count as the original submission. If the record count differs from the original submission, an attestation to the discrepancy must be documented in the “Additional Details / Special Instructions” section of the CalOptima Health Encounter File Submission Transmittal form.
10. In the event that a Health Network fails to submit at least one (1) Encounter file in both the professional and facility formats as described in Sections II.A.1 through II.A.3 of this Policy by the twentieth (20th) day of each month for all Encounters processed the previous month, or fails to resubmit rejected Encounter files within five (5) business days after receipt of the rejection notification and in the form required by CalOptima Health as described in this Policy, CalOptima Health may find such Health Network non-compliant with CalOptima Health’s Encounter reporting requirements. CalOptima Health may impose Sanctions for such non-compliance in accordance with CalOptima Health Policy HH.2002: Sanctions.

IV. ATTACHMENT(S)

- A. CalOptima Health Encounter File Submission Transmittal Form
- B. CalOptima Health Encounter Data Non-Submission Transmittal Form

V. REFERENCE(S)

- A. CalOptima Health Contract with Centers for Medicare & Medicaid Services (CMS) for Medicare Advantage
- B. CalOptima Health Contract with Department of Health Care Services (DHCS) for Medi-Cal
- C. CalOptima Health Encounter Companion Guides
- D. CalOptima Health Policy HH.2002: Sanctions

VI. REGULATORY AGENCY APPROVAL(S)

Date	Regulatory Agency	Response
11/01/2008	Department of Health Care Services (DHCS)	Approved as Submitted
07/16/2015	Department of Health Care Services (DHCS)	Approved as Submitted

VII. BOARD ACTION(S)

None to Date

VIII. REVISION HISTORY

Action	Date	Policy	Policy Title	Program(s)
Effective	09/01/2002	EE.1111	Health Network Encounter Reporting Requirements	Medi-Cal
Revised	03/01/2003	EE.1111	Health Network Encounter Reporting Requirements	Medi-Cal
Revised	07/01/2007	EE.1111	Health Network Encounter Reporting Requirements	Medi-Cal
Revised	01/01/2008	EE.1111	Health Network Encounter Reporting Requirements	Medi-Cal
Revised	08/01/2010	EE.1111	Health Network Encounter Reporting Requirements	Medi-Cal
Revised	10/01/2015	EE.1111	Health Network Encounter Reporting Requirements	Medi-Cal OneCare OneCare Connect
Revised	08/01/2016	EE.1111	Health Network Encounter Reporting Requirements	Medi-Cal OneCare OneCare Connect
Revised	04/01/2017	EE.1111	Health Network Encounter Reporting Requirements	Medi-Cal OneCare OneCare Connect
Revised	10/01/2018	EE.1111	Health Network Encounter Reporting Requirements	Medi-Cal OneCare OneCare Connect
Revised	09/01/2019	EE.1111	Health Network Encounter Reporting Requirements	Medi-Cal OneCare OneCare Connect

Action	Date	Policy	Policy Title	Program(s)
Revised	06/01/2020	EE.1111	Health Network Encounter Reporting Requirements	Medi-Cal OneCare OneCare Connect
Revised	08/01/2021	EE.1111	Health Network Encounter Reporting Requirements	Medi-Cal OneCare OneCare Connect
Revised	05/01/2022	EE.1111	Health Network Encounter Reporting Requirements	Medi-Cal OneCare OneCare Connect
Revised	12/31/2023	EE.1111	Health Network Encounter Reporting Requirements	Medi-Cal OneCare
Revised	05/01/2024	EE.1111	Health Network Encounter Reporting Requirements	Medi-Cal OneCare

IX. GLOSSARY

Term	Definition
Centers for Medicare & Medicaid Services (CMS)	The federal agency under the United States Department of Health and Human Services responsible for administering the Medicare and Medicaid programs.
Department of Health Care Services (DHCS)	The single State department responsible for the administration of the Medi-Cal Program, California Children's Services (CCS), Genetically Handicapped Persons Program (GHPP), and other health related programs as provided by statute and/or regulation.
Downstream Entity	Any party that enters into a written arrangement, acceptable to DHCS and/or CMS, with persons or entities involved with a CalOptima Health Program benefit, below the level of arrangement between CalOptima Health and a First Tier Entity. These written arrangements continue down to the level of the ultimate provider of both health and administrative services.
Encounter	<p><u>Medi-Cal</u>: Any unit of Covered Services provided to a Member by a Health Network regardless of Health Network reimbursement methodology. Such Covered Services include any service provided to a Member regardless of the service location or provider, including out-of-network services and sub-capitated and delegated Covered Services.</p> <p><u>OneCare</u>: Any unit of Covered Service provided to a Member by a Health Network regardless of Health Network reimbursement methodology. These services include any Covered Services provided to a Member, regardless of the service location or Provider, including out-of-network Covered Services and sub-capitated and delegated Covered Services. Encounter data submitted to CalOptima Health should not include duplicate claims.</p>
First Tier, Downstream, and Related Entities (FDR)	First Tier, Downstream or Related Entity, as separately defined herein. For the purposes of this policy, the term FDR includes delegated entities, contracted providers, Health Networks, Physician Medical Groups, Physician Hospital Consortia, and Health Maintenance Organizations.
First Tier Entity	Any party that enters into a written arrangement, acceptable to DHCS and/or CMS, with CalOptima Health to provide administrative services or health care services to a Member under a CalOptima Health Program.
Health Maintenance Organization (HMO)	A health care service plan, as defined in the Knox-Keene Health Care Service Plan Act of 1975, as amended, commencing with Section 1340 of the California Health and Safety Code.
Health Network	A Physician Hospital Consortium (PHC), physician group under a shared risk contract, or health care service plan, such as a Health Maintenance Organization (HMO) that contracts with CalOptima Health to provide Covered Services to Members assigned to that Health Network.
Member	A beneficiary enrolled in a CalOptima Health program.
Physician Hospital Consortium (PHC)	A Physician Group or Physician Groups contractually aligned with at least one (1) hospital, as described in CalOptima Health's Contract for Health Care Services.
Physician Medical Group (PMG)	A group practice, independent practice association, or other formal business arrangement comprised of individuals, each of whom holds an unrestricted license to practice medicine or osteopathy in the state in which they practice, and which participates with a hospital in a Physician Hospital Consortium (PHC) or holds a shared risk contract with CalOptima Health.

Term	Definition
Practitioner	A licensed independent practitioner including, but not limited to, a Doctor of Medicine (MD), Doctor of Osteopathy (DO), Doctor of Podiatric Medicine (DPM), Doctor of Chiropractic Medicine (DC), Doctor of Dental Surgery (DDS), Doctor of Psychology (PhD or PsyD), Licensed Clinical Social Worker (LCSW), Marriage and Family Therapist (MFT or MFCC), Nurse Practitioner (NP), Nurse Midwife, Physician Assistant (PA), Optometrist (OD), Registered Physical Therapist (RPT), Occupational Therapist (OT), or Speech and Language Therapist, furnishing Covered Services.
Provider	<p><u>Medi-Cal</u>: Any individual or entity that is engaged in the delivery of services, or ordering or referring for those services, and is licensed or certified to do so.</p> <p><u>OneCare</u>: A physician, pharmacist, nurse, nurse mid-wife, nurse practitioner, medical technician, physician assistant, hospital, laboratory, health maintenance organization, Health Network, or other person or institution who furnishes Covered Services.</p>
Related Entity	Any entity that is related to CalOptima Health by common ownership or control and that: performs some of CalOptima Health's management functions under contract or delegation; furnishes services to Members under an oral or written agreement; or leases real property or sells materials to CalOptima Health at a cost of more than \$2,500 during a contract period.
Sanction	An action taken by CalOptima Health, including, but not limited to, restrictions, limitations, monetary fines, termination, or a combination thereof, based on an FDR's or its agent's failure to comply with statutory, regulatory, contractual, and/or other requirements related to CalOptima Health programs.
Shared Risk Group (SRG)	A Health Network who accepts delegated clinical and financial responsibility for professional services for assigned Members, as defined by written contract and enters into a risk sharing agreement with CalOptima Health as the responsible partner for facility services.