



Department of Health Care Services **MEMORANDUM**

DATE: February 5, 2013
TO: SDMC Trading Partners
FROM: Department of Health Care Services
SUBJECT: Short Doyle Medi-Cal

The California Department of Health Care Services would like to communicate two developments that will affect trading partners and stakeholders of the Short Doyle Medi-Cal (SDMC) claims processing system. This communication is being made to facilitate planning on behalf of the trading partners.

Testing with Production Data

As part of the 5010 conversion, DHCS allowed trading partners of SDMC to test using the DHCS production eligibility system, allowing (and requiring) trading partners to use production client information when submitting test data. This decision was made to accommodate trading partner requests to permit testing with production client information to support critical testing in a compressed time frame to meet federal HIPAA requirements. In consultation with trading partners, it has become apparent that many trading partners are not prepared to conduct necessary system testing without the use of production client data. To support this need, DHCS has extended the period to test with production data through November 1, 2013.

As part of the decision to test with production data, DHCS requests its trading partners work with their Compliance Officer and Information Security Officer to ensure that their test systems, test data, and test procedures protect the personnel health information used for testing. Any inappropriate disclosure of production data used for testing could constitute a HIPAA breach and could be subject to State and/or Federal reporting and possible enforcement action.

Final cutoff of 4010 processing

The federal compliance date for the transition to exclusive use of the 5010 version was January 1, 2012. The Centers for Medicare & Medicaid Services issued a six month period of non-enforcement that ended 6/1/2012. SDMC began accepting 5010 transactions on 1/1/2012. In order to accommodate trading partners who were unprepared for use of the 5010 versions of the standard transactions, SDMC has continued to accept transactions in either 4010 or 5010 format. SDMC will continue to accept claims transactions in either 4010 or 5010 format only through March 31, 2013; effective April 1, 2013, all transactions not using the current version mandated under HIPAA will be rejected.