



DATE: August 30, 2023

Behavioral Health Information Notice No: 23-042

TO: California Alliance of Child and Family Services
California Association for Alcohol/Drug Educators
California Association of Alcohol & Drug Program Executives, Inc.
California Association of DUI Treatment Programs
California Association of Social Rehabilitation Agencies
California Consortium of Addiction Programs and Professionals
California Council of Community Behavioral Health Agencies
California Hospital Association
California Opioid Maintenance Providers
California State Association of Counties
Coalition of Alcohol and Drug Associations
County Behavioral Health Directors
County Behavioral Health Directors Association of California
County Drug & Alcohol Administrators

SUBJECT: County Drug Medi-Cal Organized Delivery System 274 Provider Network Data Reporting

PURPOSE: Notifies counties about the requirement to submit Drug Medi-Cal Organized Delivery System (DMC-ODS) provider network data to the Department of Health Care Services (DHCS) using the X12 274 Health Provider Directory standard.

REFERENCE: Welfare and Institutions Code (WIC) section 14197; WIC section 14184.102(d)); Behavioral Health Information Notice (BHIN) 23-041 Network Certification Requirements

BACKGROUND:

On May 6, 2016, the Centers for Medicare and Medicaid Services (CMS) published the Medicaid and Children’s Health Insurance Program Managed Care Final Rule (Managed Care Rule), which revised Title 42 of the Code of Federal Regulations (CFR). These changes aimed to align Medicaid managed care regulations with requirements for other major sources of coverage. A DMC-ODS Plan operates as a Prepaid Inpatient Health Plan (PIHP), a type of managed care program as defined in 42 CFR Part 438.2, and must therefore comply with the federal managed care requirements applicable to PIHPs.

While many of the federal network adequacy standards come from 42 CFR Parts 438.68, 438.206, and 438.207, 42 CFR Part 438.207 allows each state to establish standards for access to care for managed care programs to demonstrate that they have the capacity to serve the expected enrollment in their service area. Furthermore, that section allows each state to specify the format in which the managed care programs must demonstrate compliance with the federal and state established network adequacy standards. In accordance with 42 CFR Part 438.207, WIC section 14197 establishes time or distance and timely access standards for Medi-Cal managed care plans, including DMC-ODS Plans, and subdivision (j) of WIC Section 14197 authorizes DHCS to interpret and implement the time or distance and timely access standards set forth in WIC section 14197 by means of information notice.

Through WIC section 14197, the state has delegated DHCS the responsibility for monitoring its contracted Medi-Cal managed care plans, including DMC-ODS Plans, to ensure their compliance with state and federal network adequacy standards. Through this BHIN, DHCS requires DMC-ODS Plans to submit their provider network data through the X12 274 Health Care Provider Directory Standard (Version 004050X109), herein referred to as the "274 standard". The 274 standard is an Electronic Data Interchange standard selected by DHCS, and approved by the CMS, to ensure that DMC-ODS provider network data is consistent, uniform, and aligns with national standards.

POLICY:

Effective March 1, 2024, DMC-ODS Plans are required to submit provider network data to DHCS using the 274 standard on a monthly basis. The DMC-ODS Plans must submit 274 files on the first day of each month or by no later than the tenth day of each month for the reporting period which encompasses the reporting period of the previous month. If the tenth day of the month falls on a holiday, the 274 files must be submitted by no later than the following business day after the holiday. Instructions for testing and production file submissions are included in the Requirements section of this BHIN.

The requirements set forth in this BHIN do not replace the annual federal network certification requirements. The annual federal network certification requirements are provided in a separate BHIN.

In addition to submitting data via the 274 standard, DMC-ODS Plans must continue to submit provider network data via the Network Adequacy Certification Tool (NACT) until the DMC-ODS Plan successfully and accurately implements data elements of the 274 standard and DHCS determines that the DMC-ODS Plan has achieved this milestone. The 274 standard will replace the NACT as the primary source for analysis only after DHCS issues a BHIN or other formal guidance to inform counties of this change.

The DMC-ODS Plan may claim reimbursement for costs associated with this project. Please review [BHIN 23-004](#) for more information regarding costs eligible for reimbursement.

REQUIREMENTS:

1. The DMC-ODS Plan monthly 274 provider network data submissions shall include:
 - a. Outpatient, Intensive Outpatient, Residential (American Society of Addiction Medicine (ASAM) Level 3.1, ASAM Level 3.2, ASAM Level 3.3, ASAM Level 3.5, ASAM Level 3.7, and ASAM 4.0), and Opioid Treatment Program providers that are within the provider network of the DMC-ODS Plan at the Group (Organization), Site, and Provider detail level (rendering service provider). This includes providers outside the DMC-ODS county borders if they are within the DMC-ODS network.
 - b. Provider network reporting includes DMC-ODS county-operated, and county-contracted providers within the DMC-ODS network. The physical location where services are performed should be included unless it is at the beneficiary's home.

2. Submission format and testing requirements:
 - a. All documents and supporting materials necessary for DMC-ODS Plans to create, test, and transmit 274 transactions are located in the [274 SharePoint site](#). DMC-ODS Plan employees and their authorized vendors may request access to the 274 SharePoint site by sending an email to 274Expansion@dhcs.ca.gov.
 - b. The DMC-ODS Plan must use the X12 274 Health Care Provider Directory Implementation Guide (IG) Version 004050X109 as the basis for the 274 file format and content. The DMC-ODS may purchase or lease the IG directly from [X12.org](#).
 - c. The Behavioral Health 274 Companion Guide (CG) Version 2.0, developed by DHCS, provides the DMC-ODS Plan specific 274 transmission and business rules and must be used in conjunction with the 274 IG. A copy of the 274 CG is available on the DHCS 274 SharePoint site at [Behavioral Health 274 CG Version 2.0](#).

DHCS will have a testing environment available to the DMC-ODS Plans by November 1, 2023. The DMC-ODS Plan may begin submitting 274 test transactions at this time. The DMC-ODS Plan must certify completion of testing requirements and receive approval by DHCS before submitting files in production. The DMC-ODS Plan must complete all testing requirements and begin submitting 274 files in production by March 10, 2024, and commence monthly submissions thereafter. Testing and production onboarding procedures are located on the DHCS 274 SharePoint site at [DMC-ODS Transition-Test Plan](#).

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3. Submission Compliance

The DMC-ODS Plan shall submit complete, accurate, reasonable, and timely 274 provider network data on a monthly basis beginning on or before than March 1, 2024. A DMC-ODS Plan that fails to meet the reporting requirements may be issued a Corrective Action Plan and are subject to sanctions pursuant to WIC Section 14197.7.

4. 274 Workgroup Meetings

DHCS will continue to facilitate monthly 274 workgroup meetings, as needed. Meeting dates and times are communicated via email to all participants designated by the DMC-ODS Plan. To add or delete workgroup participants, send an email to 274Expansion@dhcs.ca.gov.

5. Where to Submit Questions

Questions about this BHIN may be sent to 274Expansion@dhcs.ca.gov. Response to Frequently Asked Questions will be available on the 274 SharePoint.

Sincerely,

Michele Wong, Chief
Medi-Cal Behavioral Health – Oversight and Monitoring Division