

# Encounter Data Quality Improvement Efforts: Part Three

June 25, 2025

Data Reporting and Monitoring Webinar Series

# Introduction

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# Agenda

- » Quality Measures for Encounter Data (QMED) 2.0
  - QMED Update Recap
  - All Plan Letter Review Status and QMED 2.0 Timeline
  - Plan Feedback

# DHCS Staff

## » Speakers

- Christine Fesler
- Stephen LeFebre

## » Support

- Felicia Oropeza
- Abiy Gebereselassie
- Mei Shan Ng
- Xiaoyan Ma
- Alvin Bautista

# Questions & Answers

- » For **GENERAL** questions, please submit your question to the WebEx chat and please ensure that your questions are visible to all participants, because the host is not monitoring private chat to the host.
- » For **SPECIFIC** questions, please reach out to the appropriate Data Mailbox as will be instructed closer to the end of this presentation.

## Before we move on

- » Today's webinar is being recorded for documentation purposes.
- » Link to Part One of the EDIP Series – November 2024 Webinar: [Encounter Data Quality Improvement Efforts: Part One](#)
- » Link to Part Two of the EDIP Series – February 2025 Webinar: [Encounter Data Quality Improvement Efforts: Part Two](#)
- » The recorded video, script, and presentation materials will be uploaded to [Data Reporting and Monitoring Webinar Series](#).
- » The glossary and FAQs are also updated regularly every month.

# Quality Measures for Encounter Data (QMED): Update 3

Christine Fesler  
Chief, Data Quality Reporting Unit

# QMED Update Recap

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# Encounter Data

**Encounters are records of services provided to Medi-Cal members enrolled in capitated health plans.**

- » Encounter records provide DHCS **documentation of Medi-Cal service utilization**
- » DHCS relies on these data to **support program oversight, facilitate population health management, and fulfill federal reporting requirements**, such as:
  - Capitated rate calculation
  - Quality measure calculation
  - Audits and investigations
  - Reporting to the Centers for Medicaid and Medicare Services (CMS)
  - Population health management
  - Incentive payment programs
  - Public dashboards

# Encounter Data – Contractual Obligations

**The submission of complete, accurate, and timely encounter data is critical for maintaining program integrity and to comply with state and federal requirements.**

- » Plans are **contractually obligated** to submit encounter data for services provided to beneficiaries
- » DHCS expects complete, accurate, reasonable, and timely encounter submissions
- » *Note:* DHCS' reporting standards align with national standard file formats to meet state and federal Medicaid and HIPAA reporting requirements

## 2.1.2 Encounter Data Reporting

- A. Contractor must maintain a MIS that consumes Encounter Data and/or claims data and transmits Encounter Data, including allowed amounts and paid amounts as required, to DHCS in compliance with 42 CFR sections 438.242 and 438.818 and in accordance with APLs.
- B. Contractor must implement policies and procedures for ensuring the complete, accurate, reasonable, and timely submission of Encounter Data to DHCS, as defined in State and federal law, APLs, and this Contract, for all items and services furnished to a Member under this Contract, whether directly or through Subcontractor Agreements, Downstream Subcontractor Agreements, or Network Provider Agreements.
- C. Contractor must require all Network Providers, Subcontractors, Downstream Subcontractors, and out-of-Network Providers to submit claims and Encounter Data to Contractor to ensure compliance with this Contract. Contractor must have mechanisms, including edit and reporting

Source: [MCP boilerplate contract](#)

# Encounter Data – Federal Obligations

## [§438.242](#) (Health Information Systems)

- (c) *Enrollee encounter data.* Contracts between a State and a MCO, PIHP, or PAHP must provide for:
- (1) Collection and maintenance of sufficient enrollee encounter data to identify the provider who delivers any item(s) or service(s) to enrollees.
  - (2) Submission of enrollee encounter data to the State at a frequency and level of detail to be specified by CMS and the State, based on program administration, oversight, and program integrity needs.
  - (3) Submission of all enrollee encounter data, including allowed amount and paid amount, that the State is required to report to CMS under [§ 438.818](#).
  - (4) Specifications for submitting encounter data to the State in standardized ASC X12N 837 and NCPDP formats, and the ASC X12N 835 format as appropriate.

- » **The CMS Medicaid and CHIP Managed Care Final Rule lays out expectations for encounter data submissions (§438.242) and the financial consequences for noncompliant plans (§438.818).**
- » **Key takeaway:** Plans must keep detailed records (encounters) of services paid for (and how much was paid), and report those records regularly to the state using standard formats.

# Encounter Data – Federal Obligations and *Plans*

## §438.818 (Enrollee Encounter Data)

- (a) FFP is available for expenditures under an MCO, PIHP, or PAHP contract only if the State meets the following conditions for providing enrollee encounter data to CMS:
  - (1) Enrollee encounter data reports must comply with the Health Insurance Portability and Accountability Act of 1996 (HIPAA) security and privacy standards and be submitted in the format required by the Medicaid Statistical Information System or format required by any successor system to the Medicaid Statistical Information System.
  - (2) States must ensure that enrollee encounter data is validated for accuracy and completeness as required under [§ 438.242](#) before submitting data to CMS. States must also validate that the data submitted to CMS is a complete and accurate representation of the information submitted to the State by the MCOs, PIHPs, and PAHPs.
  - (3) States must cooperate with CMS to fully comply with all encounter data reporting requirements of the Medicaid Statistical Information System or any successor system.
- (b) CMS will assess a State's submission to determine if it complies with current criteria for accuracy and completeness.
- (c) If, after being notified of compliance issues under [paragraph \(b\)](#) of this section the State is unable to make a data submission compliant, CMS will take appropriate steps to defer and/or disallow FFP on all or part of an MCO, PIHP, or PAHP contract in a manner based on the enrollee and specific service type of the noncompliant data. Any deferral and/or disallowance of FFP will be effectuated utilizing the processes specified in [§§ 430.40 and 430.42 of this chapter](#).

» **Section §438.818 (Enrollee Encounter Data)** indicates that *plans'* funding could be at risk if encounter data is not properly collected and reported by the state to the CMS via T-MSIS.

» **Key takeaway:** Funding for the state's managed care contracts may be impacted if encounter data is not properly collected and reported by the state to the federal government. If data problems are not fixed, CMS could cut funding for the **specific types of patients or services affected by the data problems.**

# Encounter Data – T-MSIS Reporting

Furthermore, eligibility for enhanced FFP for Medicaid Enterprise System (MES) systems expenditures requires states to meet federal reporting requirements and maintain compliance with federal regulations, including 42 CFR 433.116. T-MSIS data must be:

- a. submitted and received in a required format for processing,
- b. complete, timely, and accurate,<sup>6</sup> and
- c. submitted and recorded without deleting or degrading historical data submissions.

CMS will address T-MSIS reporting compliance issues through the process outlined in the May 24, 2023, Center for Medicaid and CHIP Services (CMCS) Information Bulletin (CIB), *Medicaid Enterprise Systems Compliance and Reapproval Process for State Systems with Operational Costs Claimed at the 75 Percent Match Rate*.<sup>7</sup> hereinafter referred to as the **MES Compliance and Reapproval Process**.

Source: May 28, 2025, [State Health Official Letter](#)

» **States must report Medicaid and CHIP encounter data along with enrollment, claims, provider, and plan data to CMS monthly via Transformed Medicaid Statistical Information System (T-MSIS) files.**

» **Key takeaway:** State failure to submit high quality T-MSIS data to CMS puts federal funding for the state's technical infrastructure at risk.

# QMED – Purpose and Background

- » QMED 1.0 was published in January 2015 as a data quality assessment for Managed Care Plans submitting encounter records to DHCS Post-Adjudicated Claims Encounter System (PACES).
- » QMED remained unchanged until April 2024 at which point DHCS established QMED 1.1 to reflect pharmacy carve-out from Managed Care.
- » QMED grades the quality of encounter data submitted to DHCS against data quality dimensions (**C**ompleteness, **A**ccuracy, **R**easonability, **T**imeliness).

State of California - Health and Human Services Agency Department of Health Care Services Encounter Data Quality Report Card 2023Q4									
Encounter Data Grade Point Average (ED-GPA): 2.0									
Plan Code	Encounter Data Quality Grade	Quarterly Data Quality Grade	Quarterly Averaged Rate	Encounter Data Quality Grade (EDQG) Quarterly Dimensional Rates			Previous QDQG		
				Completeness	Reasonability	Timeliness	2023Q3	2023Q2	2023Q1
■	Low-Performing	Unacceptable	75.00%	100.00%		50.00%	A	A	U
■	Low-Performing	Unacceptable	75.00%	100.00%		50.00%	A	A	A



# QMED 2.0 Implementation Phases

## **QMED 2.0 measures will eventually be applied to all delivery systems**

- » **Phase I:** Medical Managed Care Plans currently receiving quarterly QMED Report Cards. *(Fall 2025 QMED 2.0 implementation)*
- » **Future Phases:** Other components of the delivery system *(timing of QMED 2.0 implementation TBD)*
  - Managed Care Dental Plans
  - Specialty Plans such as Program of All-Inclusive Care for the Elderly (PACE) and Senior Care Action Network (SCAN) Plans
  - County Behavioral Health Plans

# All Plan Letter Review Status and QMED 2.0 Report Card Timeline





# High Level Summary

- » APL Internal DHCS process: Total time ~4 - 5 months
  - » Two DHCS divisions completed review in May;
  - » Expect final division review in July
- » Targeting October for APL publication
- » DHCS Managed Care Quality and Monitoring Division team will be managing feedback and comments from Plans
- » In the coming months, DHCS will continue internal and external stakeholder engagement to prepare for QMED 2.0 implementation.

# All Plan Letter

**DHCS will release an All Plan Letter this fall on QMED 2.0 for public comment.**

» The All Plan Letter and associated documentation outlines the following information:

- Background on QMED
- DHCS' data quality priorities
- QMED 2.0 measures and thresholds
- QMED 2.0 Report Card
- Grading
- Quality improvement procedures

# APL / QMED 2.0 Timeline

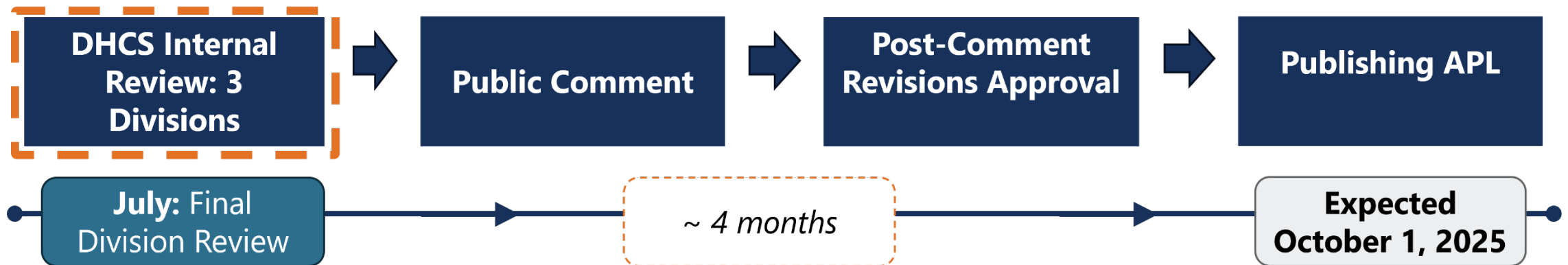
	2024	2025			
Proposed Timeline for QMED 2.0 Launch	Oct. – Dec.	Jan. – Mar.	Apr. – Jun.	Jul. – Sept.	Oct. – Dec.
1. Identify QMED 2.0 parameters / business rules	*				
2. Identify QMED 2.0 data quality thresholds and scoring	*				
3. Develop QMED 2.0 Report Card		*	#		
4. QMED 2.0 APL and Methodology Report – DHCS internal review and external feedback (Jul. – Sept.)		*	#	#	
5. Today! Feedback on QMED 2.0 Report Card (Survey Managed Care Plans only)				+	
6. QMED 2.0 APL and Methodology Report – Public Comment		*		+	+
7. QMED 2.0 implementation support / Education and Outreach Webinars		*		#	+

\* = Completed    # = Ongoing    + = Target Completion Date

# APL / Methodology Report Review Status

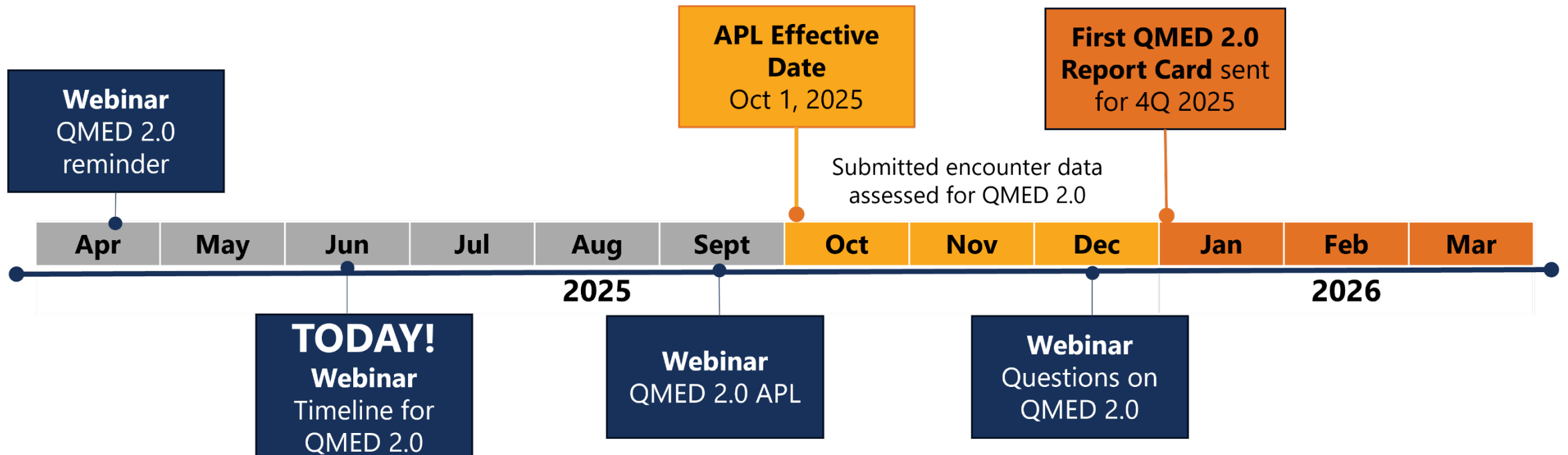
- » The APL and QMED 2.0 Methodology Report were submitted for formal APL review in April from internal stakeholders. As of June, one internal stakeholder to review

## DHCS Standard APL Review Process – High-Level Steps



# QMED 2.0 Implementation Timeline

- » **October 2025 APL MCP review period**
- » **January 2026 First. QMED 2.0 Report Card for encounter data submitted in Q4 2025.**



# QMED 2.0 Report Card Feedback

Stephen LeFebre  
Data Quality Reporting Unit

# Soliciting Plan Feedback on QMED – *Goals and Content*

» **June 20: DHCS Data Quality Reporting Unit sent a survey link via Survey Monkey to solicit feedback from Plans currently receiving Report Cards.**

» **If you or your organization received the survey and have not yet filled it out, please do so at your earliest convenience.**

## **Survey Goals:**

Obtain information from plans on:

- » Current use of QMED 1.1 Report Card format and functionality
- » Current pain points with QMED 1.1 Report Card
- » Topics for future resources
  - *e.g., use of Report Cards, companion guides, measure specifications (QMED Document)*
- » How to consume future resources
  - *e.g., monthly webinar, tip sheets*

# Plan Survey – Sent June 20

## **Responses as of June 25, 2025**

- » Received 15 to date. Your chance to chime in!
- » Q1/Q2: Mostly received/used by Encounter Data Quality Team,
  - Management and Compliance.
- » Q3: Viewed in PDF application or Internet Browser.
- » Q4/Q5: Very Valuable in identifying and for improving data quality issues.
- » Q6: No challenges



# Plan Survey – Sent June 20

## **Responses as of June 25, 2025 (Continued...)**

- » Q7: How to interpret report cards
  - What are common issues
  - Lessons learned from high performing plans,
  - how to use to improve data quality.
- » Q8: Webinars, live, past recorded
  - On-demand videos,
  - FAQs, Workshops, Tip sheets
- » Q9: Most of the time (9-12)
  - Frequently (5-8)

As previously stated, we will soon be opening up the APL and Measure Specs for public comment.

# Communication

# Communication

## » Data group mailboxes

- 274 Medical Provider, Encounter (837I/837P, 837D) data quality reports: [DataQualityReportingUnit@dhcs.ca.gov](mailto:DataQualityReportingUnit@dhcs.ca.gov)
- 274 Dental: [DMCdeliverables@dhcs.ca.gov](mailto:DMCdeliverables@dhcs.ca.gov)
- BH Short Doyle: [MEDCCC@dhcs.ca.gov](mailto:MEDCCC@dhcs.ca.gov)
- PACE: [PACECompliance@dhcs.ca.gov](mailto:PACECompliance@dhcs.ca.gov)
- DHCS Documentation Center Access requests: [dataexchange@dhcs.ca.gov](mailto:dataexchange@dhcs.ca.gov)
- Technical questions, ECM/CS/CCM JSON: [EDIMDataSupport@dhcs.ca.gov](mailto:EDIMDataSupport@dhcs.ca.gov)
- MCDSS Webinar Support: [MCDSS@dhcs.ca.gov](mailto:MCDSS@dhcs.ca.gov)

## » If the message is urgent, please mark [URGENT]

Questions?

# Resources

# Behavioral Health Managed Care

Resource Emails	Topics
<a href="mailto:CountySupport@dhcs.ca.gov">CountySupport@dhcs.ca.gov</a>	Behavioral Health Managed Care Plan Annual Report
	Behavioral Health 1915 (b) Appeals and Grievance Report
<a href="mailto:NAOS@dhcs.ca.gov">NAOS@dhcs.ca.gov</a>	Behavioral Health Network Adequacy
<a href="mailto:MEDCCC@dhcs.ca.gov">MEDCCC@dhcs.ca.gov</a>	Behavioral Health Short Doyle Claims
	Short Doyle Claim Denials/Recoupments

# Dental Managed Care

Resource Emails	Topics
<a href="mailto:DMCdeliverables@dhcs.ca.gov">DMCdeliverables@dhcs.ca.gov</a>	274 Dental Provider and 837 Encounters
<a href="mailto:Dental@dhcs.ca.gov">Dental@dhcs.ca.gov</a>	Medi-Cal Dental Information
<a href="mailto:DentalManagedCare@dhcs.ca.gov">DentalManagedCare@dhcs.ca.gov</a>	Dental Managed Care

# Programs for All-Inclusive Care for the Elderly (PACE) Organizations

Resource Emails	Topic(s)
<a href="mailto:PACECompliance@dhcs.ca.gov">PACECompliance@dhcs.ca.gov</a>	Program for All-Inclusive Care for the Elderly (PACE) Plan policy and compliance questions
<a href="mailto:pacecontractmanager@dhcs.ca.gov">pacecontractmanager@dhcs.ca.gov</a>	<ul style="list-style-type: none"><li>• SFTP Access and changes</li><li>• PACE Organization onboarding</li></ul>



# Medical Managed Care Program

Resource Emails	Topics
<a href="mailto:MCQMD@dhcs.ca.gov">MCQMD@dhcs.ca.gov</a>	<ul style="list-style-type: none"><li>• MCPAR Critical Incidences</li><li>• CMS Requirement for Managed Care Program Annual Report (MCPAR)</li><li>• Primary Care Provider Assignment (PCPA) Policy</li><li>• Managed Care Program Data (MCPD)</li></ul>
<a href="mailto:MCBHOMD@dhcs.ca.gov">MCBHOMD@dhcs.ca.gov</a>	Managed Care Plans send Managed Care Plan Annual Reports to DHCS for each delivery system by email to this address
<a href="mailto:MMCDPMB@dhcs.ca.gov">MMCDPMB@dhcs.ca.gov</a>	<ul style="list-style-type: none"><li>• General Inquiries</li><li>• <a href="#">Medi-Cal Managed Care</a></li><li>• Managed Care contract managers</li></ul>
<a href="mailto:MCODReadiness@dhcs.ca.gov">MCODReadiness@dhcs.ca.gov</a>	<ul style="list-style-type: none"><li>• SFTP Access Set Up</li><li>• Plan Onboarding</li><li>• Managed Care Contracts</li></ul>

# Technical Support

Resource Emails	Topics
<a href="mailto:DataExchange@dhcs.ca.gov">DataExchange@dhcs.ca.gov</a>	Technical Assistance with Submitting a JSON file
	DHCS Documentation Center access
	Excel Data Template questions that Data Collection Unit (DCU) handles

Resource Emails	Topics
<a href="mailto:EDIMDataSupport@dhcs.ca.gov">EDIMDataSupport@dhcs.ca.gov</a>	Technical Questions related to Data Feed, ECM/CS/CCM JSON
<a href="mailto:CaAIMECMILOS@dhcs.ca.gov">CaAIMECMILOS@dhcs.ca.gov</a>	ECM/CS/CCM JSON Exchange
	Monitoring and compliance oversight of Managed Care Plans' implementation of the new ECM/CS benefits
<a href="mailto:MCDSS@dhcs.ca.gov">MCDSS@dhcs.ca.gov</a>	Data Reporting and Monitoring Webinar Technical Support

# Next Webinar Preview

- » **For July 2025, we will focus on Big Picture: Webinar and Beyond.**
- » Meeting Information
  - Date: July 30, 2025
  - Time: 10 a.m. to 11 a.m.

# Thank you!

Please send any questions and comments about the webinar series or this event to [MCDSS@dhcs.ca.gov](mailto:MCDSS@dhcs.ca.gov)

