

DATE: March 13, 2026

ALL PLAN LETTER 26-003

SUPERSEDES ALL PLAN LETTER 14-020

TO: ALL MEDI-CAL MANAGED CARE PLANS

SUBJECT: QUALITY MEASURES FOR ENCOUNTER DATA UPDATE: QUALITY
MEASURES FOR ENCOUNTER DATA 2.0

PURPOSE:

The purpose of this All Plan Letter (APL) is to notify Medi-Cal managed care plans (MCPs) about an update to the Department of Health Care Services' (DHCS) Quality Measures for Encounter Data (QMED) requirements.¹ This APL supersedes APL 14-020.² MCPs are expected to comply with updated requirements as set forth in their Contracts and APL 25-007.³

POLICY:

For managed care Encounters submitted on or after January 1, 2026, the quality of managed care Encounter Data will be measured on a quarterly basis as "Pass" or "Fail" in accordance with QMED 2.0 requirements, as described in the attached QMED 2.0 document, which will be revised at DHCS' discretion and with public notice to MCPs. Quarterly QMED 2.0 report cards will be posted publicly no sooner than April 1, 2026. Enforcement activities specific to QMED 2.0, including monetary sanctions will start July 1, 2027 and will be consistent with APL 25-007.

¹ The MCP Contract defines Encounter Data as the information that describes health care interactions between Members and Providers relating to the receipt of any item(s) or service(s) by a Member under the MCP Contract (Contract) and subject to the standards of 42 Code of Federal Regulations sections 438.242 and 438.818.

² APLs are searchable at:

<https://www.dhcs.ca.gov/formsandpubs/Pages/MgdCarePlanPolicyLtrs.aspx>.

³ The 2024 Managed Care Boilerplate Contract is available at:

<https://www.dhcs.ca.gov/provgovpart/Documents/2024-Managed-Care-Boilerplate-Contract.pdf>.



Please note that the attached QMED document specifies how DHCS will measure the quality of Encounter Data submitted by MCPs. It does not specify how DHCS will measure the quality of health care services.

SUBCONTRACTORS, DOWNSTREAM SUBCONTRACTORS, AND NETWORK PROVIDERS COMPLIANCE:

MCPs must review their contractually required policies and procedures (P&Ps) to determine if amendments are needed to comply with this APL. If the requirements contained in this APL, including any updates or revisions to this APL, necessitate a change in MCP's contractually required P&Ps, the MCP must submit their updated P&Ps to the Managed Care Operations Division (MCP Submission Portal⁴) within 90 days of the release of this APL. If an MCP determines that no changes to its P&Ps are necessary, the MCP must attach an attestation to the Portal within 90 days of the release of this APL, stating that the MCP's P&Ps have been reviewed and no changes are necessary. The attestation must include the title of this APL, as well as the applicable APL release date in the subject line.

MCPs are responsible for ensuring that their Subcontractors, Downstream Subcontractors, and Network Providers comply with all applicable state and federal laws and regulations, Contract requirements, and other DHCS guidance, including APLs and Policy Letters. These requirements must be communicated by each MCP to all Subcontractors and Network Providers. DHCS may impose CAPs, as well as administrative and/or monetary sanctions for non-compliance. MCPs should review their Subcontractor, Downstream Subcontractor, and Network Provider and/or Subcontractor Agreements, as appropriate to ensure compliance with this APL. For additional information regarding enforcement actions, see APL 25-007. As explained above, any failure to meet the requirements of this APL may result in enforcement actions.

⁴ The MCP Submission Portal is located at: <https://cadhcs.sharepoint.com/sites/MCPSubmissionPortal/SitePages/Home.aspx>.

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If you have any questions regarding the requirements in this APL, please contact your Contract Manager.

Sincerely,

Original Signed by Eric Lichtenberger

Eric Lichtenberger, Division Chief

Health Information Management Division