Statewide Medicaid Managed Care Program Pharmacy Encounters Testing Guide

Instructions for Health Plan Testing of Pharmacy Encounter Claims Using NCPDP Telecommunications Standard D.0 and NCPDP Batch Standard 1.2

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1.0 Introduction

The intent of this guide is to describe the necessary steps for State Medicaid Managed Care (SMMC) Health Plans to successfully test and submit encounter claims to Magellan Rx Management on behalf of the Agency for Health Care Administration (AHCA) using the NCPDP Telecommunication Standard Version D.0 and the 1.2 Batch Standard.
2.0 Background and Overview

2.1 Background

Magellan Rx Management currently accepts and processes Medicaid pharmacy encounters for AHCA, the Florida Agency for Health Care Administration, under the SMMC program.

As of March 1, 2012, AHCA required the submission of pharmacy encounters using the NCPDP Telecommunications Standard Version D.0 and Batch Standard Version 1.2.

2.2 Overview of Intended Use

The instructions in this companion guide pertain to the submission of health plan paid encounters, expanded benefit encounters, and health plan denied encounters. This document must be used with the *Encounter D.0 Payer Specifications* (Payer Specs), which is found on the AHCA Web portal, in conjunction with the associated NCPDP Implementation Guides. Magellan Rx Management and AHCA do not provide the NCPDP Implementation Guides. Access requires an NCPDP membership, which is available at [http://www.ncpdp.org/Membership](http://www.ncpdp.org/Membership).

2.3 Testing Options

Magellan Rx Management has options for testing under different circumstances and this guide is divided accordingly:

- New trading partners: A required, three-stage testing process for validation of the NCPDP D.0 format and syntax prior to submitting paid and expanded benefit encounter claims in production.
- Existing trading partners:
  - Required testing for plan denied encounters* and
  - Voluntary testing when:
    - Implementing new transactions;
    - Making changes to processing systems; and
    - Making changes to PBMS.

*The testing process for health plan denied encounters is addressed in section 5.0; however, denied encounter submission is not presently required by AHCA.*
2.4 Pharmacy Batch File Types: Paid, Expanded Benefits, Plan Denied

There are three encounter claim batch file types that a health plan may be submitting to Magellan Rx Management:

- **Paid claims**: Required by AHCA from all health plans
- **Expanded benefit claims**: Required by AHCA if the plan provides pharmacy expanded benefits
- **Denied claims**: Currently not required by AHCA

The production batch files for each claim type has a specific naming convention, which can be found in this guide.

Additional information about specific formatting and data elements is in related tip sheets posted on the Pharmacy page of the AHCA website: [FL Medicaid Web Portal](#).

For questions or concerns regarding the testing process, contact the Magellan Rx Management Encounter Specialist team via e-mail: [FLMCOSupport@magellanhealth.com](mailto:FLMCOSupport@magellanhealth.com).
3.0 New Health Plans: Steps for Certification of Pharmacy Encounter Submission

There are three testing steps a new health plan trading partner must complete before submitting production encounter files to Magellan Rx Management:

1. Format and syntax validation of the NCPDP D.0 standard via independent testing on Ramp Manager;
2. System logic validation of transactions via the Manual Test Task on Ramp Manager; and
3. SFTP submission process validation via Business to Business (B2B) testing with Magellan Rx Management.

3.1 Ramp Manager Independent Format Validation Testing

3.1.1 Accessing the Ramp Manager Testing Site

In order to test NCPDP encounters, the health plan must be a member of the EDIFECS/Ramp Manager Florida Medicaid Testing Community. If the health plan is not already a member, visit the following website to register and obtain a user name and password: https://sites.edifeecs.com/index.jsp?flmedicaid.

Equipped with the username and password, complete the following steps:

1. Log in and confirm profile and contact information.
2. Download and read the reference materials.
3. Add co-worker contacts, if necessary.
4. Once registered, click the NCPDP – Testing Program tab to start the testing process.
The following screenshot displays a sample of the NCPDP Testing Tab. See Figure 3.1.1.1.

![Figure 3.1.1.1 – NCPDP Testing Tab](image)

The first three tasks (B1, B2, or B3) will be used to independently self-test the D.0 transactions. Independent testing can insure the correct formatting of the D.0 transaction with the advantage that testing results from Ramp Manager are almost immediately available.

### 3.1.2 Create the Test File

To use the self-test feature successfully:

- Only one claim can be tested at a time.
- Before readying a claim for testing, refer to the Payer Specs for information on required and mandatory segments. It is important to only test the segments required (fields noted mandatory “M” and required “R” in the Payer Specs). If a segment is sent that is not used, it will still be validated and could cause the test to fail.
- Separate the transaction types so that each test file contains only one type of transaction and one claim.
- Use the D.0 format **without** the Batch 1.2 wrapper (remove the first 13 characters and no special characters or CRLF at the end of the record).
  - The correct format will begin with field 101-A1 in the transaction header Segment, “BIN Number.”
3.1.3 Submit the Test File to Ramp Manager

1. Access the NCPDP-Testing program tab in Ramp and choose a transaction type to test (e.g., B1).

![NCPDP D.0 B1 Task](image)

**Figure 3.1.3.1 – NCPDP Testing B1 Task**

2. Click the **Run Test** button to upload the test file through the Validation Test Wizard and follow these steps:
   a. Review the validation report and make the appropriate corrections.
   b. Continue running tests until the transaction is “Passed.”

Figure 3.1.3.2 is an example of the validation report that is returned from the self-testing option for a B1 transaction. The format is acceptable, but a required field is missing, so this test failed.
Once passing results have been obtained on each of the transactions the plan will be submitting, the next step is to test the encounter claims against system logic.

### 3.2 Ramp Manager Manual Test Task for Logic Validation

The Ramp Manager manual test task process is the second step required for certification of D.0 encounter claims by AHCA.

#### 3.2.1 Create the Manual Test File

The manual test is completed using a batch file, including the NCPDP Batch Standard 1.2 transaction header and trailer segments surrounding the D.0 detail record, just as the health plan will submit in production.

The file should:

- Consist of about 25 encounter claims total;
- Contain about five of each transaction type, which the health plan expects to submit in the production environment (i.e., B1 transactions, B2 transactions, B3 transactions);
- Include claims that contain each segment the health plan expects to submit, (e.g., compound segments, and partial fills, etc., as applicable); and
- Have a header value of “T” in field 702, File Type.
Some additional notes:

- The encounter claims in the manual test file must contain data that is production-quality. That is, health plan enrollee identifiers, provider NPIs and NDCs must all be valid. The test and production systems are not fully synced, so it is possible there will be errors due to unmatched data. This will not hold up final certification.

- In order to fully test B2 or B3 transactions, there **MUST** be a paid B1 transaction in the test system first. It is best to submit the B1 batch for processing and analysis before attempting B2 and B3 to assure there will be paid B1 in the test system which can subsequently be reversed. Additional information can be found at section 3.3.1.

- It is important to only test the segments required (fields noted mandatory “M” and required “R” in the Payer Specs). If a segment is sent that is not used, it will still be validated and could cause the test to fail.

### 3.2.2 Manual Test File Naming Convention

Use the following file naming convention established by Magellan Rx Management when submitting files during the manual testing phase. The file type on the Header Record must be ‘T’ (test) and not ‘P’ (production). Any files marked as production and submitted for testing may be returned. See Figure 3.2.2.1.

![Figure 3.2.2.1 – File Naming Convention](image-url)
3.2.3 Submit the Manual Test File

When the file is ready, notify Magellan Rx Management with an e-mail sent to the Support mailbox. Include the file name(s) submitted, a synopsis of the tests included and to whom the results should be sent.

1. Select the Manual Test Task- Paid Encounter and follow the prompts from the Ramp Manager Testing Wizard, which is a guide through uploading and submitting a test file.

2. After uploading the test file, the completion window will appear. See Figure 3.2.3.2.

3. Click Finish to start the Testing Process.
4. There will be an immediate notification below that the test has failed. This is the expected result for the Manual Test Task.

![Test Results](image)

The Magellan Rx Management Testing Coordinator also receives an e-mail notification of this test submission. The Testing Coordinator downloads and reformats the file for submission to Magellan Rx Management’s QC test system.

### 3.2.4 Response File Processing

The Magellan Rx Management testing coordinator will contact the plan by secure e-mail within three business days to deliver the NCPDP response file and discuss test results from this validation process. The response file reports the disposition of all claims in the test file: Paid, Denied, Rejected, Reversed, Duplicate. Transactions in error must be reviewed and all repairable errors must be corrected and resubmitted. This cycle will be repeated until the claims pass validation and receive no errors. Refer to the *Encounter Payer Specifications* for more detail on the Response segment. The response file utilizes the standard NCPDP codes.

**NOTE:** Because the Magellan Rx Management test system is not fully synced with production, the test file results may contain denials or rejections due to invalid enrollee, NPI or NDC numbers. These results are valid test results that confirm system logic and will not hold up final certification as long as the plan is receiving paid encounter test claims also.

For questions or concerns, the Magellan Rx Management Testing Coordinator can be reached by e-mailing the Support mailbox.
3.3 B2B Testing with Magellan Rx Management

When the plan has successfully completed the D.0/1.2 format testing using Ramp Manager, the third and final step is to submit a file via SFTP using the procedure described below.

The Magellan Rx Management Testing Coordinator will provide the SFTP setup information.

The file type on the Header Record must be ‘T’ (test) and not ‘P’ (production). Any files marked as production and submitted for testing may be returned.

3.3.1 Create the Test File

Upon successful completion of the format validation testing, a production-quality file of about 1,000 encounter claims should be prepared to be submitted via the Move-IT Secure File Transfer Protocol (SFTP.)

- All health plans are required to submit B1 and B2 transactions at a minimum.
- The claims should be a representative sample of transactions to be submitted by the plan.
- Health plans using (or anticipating future use of) B3 transactions and compound segments must submit these transactions as well.

Notes regarding reversal (B2) or replacement (B3) transaction testing:

- For B2 or B3 transactions to be successful, corresponding B1 transactions must have previously been accepted in the Magellan Rx Management test system.
- This is best accomplished by first submitting a file with the B1 transactions and having them accepted, then following up with the B2 and/or B3 transactions in a subsequent file.

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<th>Void and Replace</th>
<th>Adjustment</th>
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<td>Submission Order:</td>
<td>B1 (original)</td>
<td>B1 (original)</td>
</tr>
<tr>
<td></td>
<td>B2 (reversal/void)</td>
<td>B2 (reversal/void)</td>
</tr>
<tr>
<td></td>
<td>B1 (final)</td>
<td>B1 (final)</td>
</tr>
<tr>
<td></td>
<td>B3 (adjustment/rebill)</td>
<td>B3 (adjustment/rebill)</td>
</tr>
</tbody>
</table>

Description:

- Void transactions are a two-step process in which the B2 voids the original B1.
- Void and Replace transactions are a three-step process in which the original B1 is voided by the B2 and replaced by a corrected/final B1.
- Adjustment transactions are a two-step process in which the B3 serves as a void and replacement for the original B1.

3.3.1.1 – Example
3.3.2  **B2B Test File Naming Convention**

Use the same format described in section 3.2.2 when submitting files during the B2B testing phase.

![Testing Naming Convention](image)

3.3.2.1  **Testing Naming Convention**

3.3.3  **Response File Processing**

After Magellan Rx Management has processed a plan’s test encounter data submission, the Testing Coordinator will contact the plan by secure e-mail within 3 business days to deliver a summary of test results from this validation process and discuss whether further B2B test files are necessary.

The Magellan Rx Management test system is not fully synced with production, so the test file results may contain denials or rejections due to invalid recipient, NPI or NDC numbers. The results are valid test results that confirm system logic and should not hold up test completion as long as some test claims the plan is receiving are PAID claims.

3.3.4  **Magellan Rx Management and AHCA Certification**

Upon successful completion of D.0 B2B testing with Magellan and subsequent AHCA review and approval, Magellan Rx Management will provide the health plan a certification number, which will allow the submission of encounter claims in the production environment. The certification number must be included on all transactions in the appropriate field (Transaction Header Segment, Field 110-AK.).
3.4 Production Data Submission

Pharmacy encounter data submissions should be sent to Magellan Rx Management, via the Move-IT SFTP site.

3.4.1 Production File Naming Convention – Paid Encounters

Please use the following naming convention when submitting files during the production phase. The first date set reflects the upload date of the file to Magellan Rx Management’s SFTP site, the second date set reflects the payment month of the claims included in the file with the number or count of files submitted that day:

![Figure 3.4.1.1 – Naming Convention](image)

For example: A file uploaded by plan XYZ on July 1, 2018, containing claims from the month of June, 2018, which is the ninth file created and uploaded by XYZ that day would have the following name:

**XYZ_20180701_20180609.TXT**

3.4.2 Expanded Benefit Encounters – Production File Naming Convention

- Expanded Benefit pharmacy encounters must be submitted in separate batch files from paid pharmacy encounters.
- The file naming convention format closely follows the rules set forth by Magellan Rx Management for paid encounter batches, with one important difference:
  - Batch file names should include the letters EB as part of the naming convention:

**XXX_EB_CCYYMMDD_CCYYMM##.DAT or TXT**

![Figure 3.4.2.1 – Naming Convention](image)
3.4.3  Response File Processing

As health plan batch files are processed, NCPDP response files are produced and made available on the SFTP site for health plan retrieval. Response files report the disposition of all claims in the test file—Paid, Denied, Rejected, Reversed, Duplicate. Transactions in error must be reviewed and in accordance with AHCA contract provisions, all repairable errors must be corrected and resubmitted. Refer to the Encounter Payer Specifications for more detail on the Response segment. The response file utilizes the standard NCPDP codes.
4.0 Existing Health Plans – Steps for Voluntary Testing

If a health plan decides to submit a new segment and/or transaction, the plan may go through minimal testing of the new segment/transaction type prior to submission in production data files. For more detailed information on any step, refer to section 3.0. If the health plan is choosing to begin submitting plan denied encounters, please see section 5.0.

4.1 Overview

This is a simplified recap of the testing steps presented in section 3.0, directed towards existing plans that wish to test internal changes they have made or when changes have been made to the Pharmacy Benefit Manager (PBM.)

The entity uploading the batch files to Magellan Rx Management rarely changes, so voluntary testing will usually consist of only steps 1 and 2 since SFTP will not need to be tested:

1. Ramp Manager independent format validation testing (section 3.1)
2. Manual test through Ramp Manager for validating transactions against system logic (section 3.2)

4.2 Ramp Manager

Health plans may access Ramp manager whenever needed to validate format using the self-test features under test tasks B1, B2 and B3. If issues or questions arise during self-test, the plan can reach out to the Encounter Specialist team via the Support mailbox for assistance.

4.3 Manual Test Task

If the health plan requires batch testing against system logic, the Manual test task is used. This type of testing is voluntary, so results will be provided within three business days of test submission or as soon as possible in consideration of other system priorities.

When the file is ready, the plan should send an e-mail to the Support mailbox to advise the Encounter Specialists. Include the file name(s) submitted, a synopsis of the tests included and to whom the results should be sent.
4.4 Response File Processing

The Magellan Rx Management Testing Coordinator will contact the plan by secure e-mail to deliver a summary of test results from this validation process and discuss whether further B2B test files are necessary.

The Magellan Rx Management test system is not fully synced with production, so the test file results may contain denials or rejections due to invalid recipient, NPI or NDC numbers. The results are valid test results that confirm system logic and should not hold up test completion as long as some test claims the plan is receiving are PAID claims.

For problems or questions, the Magellan Rx Management Testing Coordinator can be reached via the Support mailbox.
5.0 Plan Denied Pharmacy Encounters

NOTE: It is critical that plan denied encounters are tested and reported in different files from plan paid encounters and uploaded to designated plan denied SFTP folders. The Magellan Rx Management Testing Coordinator can assist with any questions regarding the separate data submission requirements.

5.1 Testing Plan Denied Pharmacy Encounters

Plan denied encounters testing consists of two parts:

- A manual test file submitted through Ramp Manager
- A test file submitted via SFTP.

If the plan is not a member of the EDIFECs Florida Medicaid Ramp Manager Testing Community, refer to Section 3.1 — Ramp Manager Independent Format Validation Testing — for instructions on registration.

5.2 Plan Denied Encounters – Ramp Manager Manual Test Task for Format Testing

In Ramp Manager, under the NCPDP Testing Program tab, access the Manual Test Task – Denied Encounter.

5.2.1 Create the File

The Batch Receiver ID (880-K7) for plan denied encounter files must be FLDENIED instead of FLMEDICAID as it is for paid encounter files.

Plan denied encounters will utilize the COB segment-AM05 to report the plan denied error code(s).

Two additional fields in Segment AM05 (COB) are required to report these error codes:

- 471-5E Other Payer Reject Count
- 472-6E Other Payer Reject Code

(Field 472-6E may be repeated to report multiple error codes.)

As described in section 3.2, the manual test file should contain no more than 25 encounters or the test file may be returned and a smaller file requested.
5.2.2 Plan Denied Test File Naming Convention

The naming convention for plan denied encounter manual test files will generally follow the same naming convention as paid encounter test files (see section 3.3.2 for details) but will be preceded by the word ‘Denied’ followed by an underscore:

DENIED_XXX_CCYYMM##.DAT or TXT

Figure 5.2.2.1 – Denied Test File Naming Convention

The File Type on the Header Record must be ‘T’ (test) and not ‘P’ (production). Any files marked as production and submitted for testing may be returned.

5.2.3 Submit the File

When the file is ready, the plan should send an e-mail to the Support mailbox to notify the Encounter Specialists. Include the file name(s) submitted, a synopsis of the tests included and to whom the results should be sent.

Select the Manual Test Task - Denied Encounter and follow the prompts from the Ramp Manager Testing Wizard which is a guide through uploading and submitting a test file.

Once the Manual Test is submitted, the plan will receive an immediate notification that the test has failed. **This is the expected result for the Manual Test Task.** The testing coordinator also receives an e-mail notification of this test submission. The testing coordinator downloads and reformats the file for submission to Magellan Rx Management’s QC test system.

5.2.4 Denied Encounters Manual Test File Response Processing

The Magellan Rx Management Testing Coordinator will contact the plan by secure e-mail to deliver the NCPDP response file and discuss test results from this validation process within three business days of test submission. This process will be repeated until the plan has successfully submitted transactions that are formatted correctly, and that contain the required fields according to D.0 and AHCA requirements.

The plan denied submission generates a standard NCPDP response file, with a slightly different appearance than those for Paid and Expanded benefit encounters.

- The transactions that were accepted and loaded will indicate only 01 in FA and the code in FB will be 85. [FA01FB85]
- If the claim is rejected, it will have the applicable number of errors in FA and the applicable codes in FB, sometimes including 85. [FA02FB85FB50]
Refer to *Plan Denied Pharmacy Encounters: Testing and Production* on the Florida Medicaid Web Portal for more information.

### 5.3 B2B Testing – Plan Denied Encounters

Upon successful completion of the Manual Test Task for the plan denied encounters, the plan should prepare a file of about 1,000 plan denied transactions to be submitted via SFTP.

#### 5.3.1 Create the Test File

The Batch Receiver ID (880-K7) for plan denied encounter production files must be FLDENIED instead of FLMEDICAID as it is for paid encounter files.

#### 5.3.2 B2B Test File Naming Convention

The naming convention for plan denied encounters B2B test files closely follows the rules set forth by Magellan Rx Management for paid encounter tests, with some important differences.

The File Type on the Header Record must be ‘T’ (test) and not ‘P’ (production). Any files marked as production and submitted for testing may be returned.

The test file name will generally follow the same naming convention as Paid test files (see *[section 3.3.2](#)* for details) but will be preceded by the word ‘*Denied*’ followed by an underscore:

```
DENIED_XXX_CCYYMM##.DAT or TXT
```

*Figure 5.3.2.1 – Submit the test file*

Submit the test file to the specified folder marked DENIED on the plan’s SFTP account site.

**Example:** /Home/FLMCO_ABCD/ToMagellan/DENIED/123456/

The Magellan Rx Management testing coordinator will review the file and provide results within three business days of test submission.
5.3.3  B2B Test Response File Processing

After Magellan Rx Management has processed a plan’s test encounter data submission, the testing coordinator will contact the plan by secure e-mail within three business days to deliver a summary of test results from this validation process and discuss whether further B2B test files are necessary.

The Magellan Rx Management test system is not fully synced with production, so the test file results may contain denials or rejections due to invalid recipient, NPI or NDC numbers. The results are valid test results that confirm system logic and should not hold up test completion.


5.3.4  Magellan Rx Management and AHCA Transaction Approval

Upon successful completion of D.0 B2B testing with Magellan Rx Management and subsequent AHCA review and approval, the health plan will be able to submit plan denied encounter claims in the production environment.

5.4  Plan Denied Encounters – Production Submission

5.4.1  Production File Naming Convention

The plan must use the following naming convention when submitting production files. The production file name generally follows the same naming convention as Paid test files (see section 3.4.1 for details) but will be preceded by the word ‘Denied’ followed by an underscore:

```
DENIED_XXX_CCYYMMDD_CCYYMM##.DAT or TXT
```

Figure 5.4.1.1 – Production File Naming Convention
5.5 Response File Processing – Plan Denied Encounters

After Magellan Rx Management has processed a plan’s production encounter data submissions, an NCPDP response file will be produced which the health plan must retrieve from the production SFTP location for Denied files.

The plan denied submission generates a standard NCPDP response file, with a slightly different appearance than those for Paid and Expanded benefit encounters.

• The transactions that were accepted and loaded will indicate only 01 in FA and the code in FB will be 85.  

• If the claim is rejected, it will have the applicable number of errors in FA and the applicable codes in FB, sometimes including 85.

6.0  Specific Information for the Florida Medicaid Pharmacy Encounter Format

This document and many others related to encounter processing are available on the Florida Medicaid Web Portal pharmacy page: FL Medicaid Web Portal.

These include:

- Florida D.0 Payer Specification—Encounters
- Plan Denied Pharmacy Encounters: Testing and Production
- Tips for Reporting MCO Amount Paid for Florida Medicaid Encounters (version D.0)
- Tip sheet for Pharmacy Rebate Data
- Pharmacy Encounters: NCPDP Common Errors Crosswalk
- Pharmacy Expanded Benefits Tip Sheet and List of approved Pharmacy Expanded Benefits
- Pharmacy Encounter attestation Tip Sheet and Attestation Signature page

In addition, contact FLMCOsupport@magellanhealth.com with any questions pertaining to testing or production issues for any type of pharmacy encounters—paid, expanded benefit or denied.