DHCS

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Director

State of California—Health and Human Services Agency
Department of Health Care Services

ARNOLD SCHWARZENEGGER
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Date: December 26, 2007

MMCD All Plan Letter 07-020

TO: All Medi-Cal Managed Care Health Plans

SUBJECT: Medi-Cal Billing Restriction on the Use of Social Security Numbers

Purpose

The purpose of this letter is to inform the contracted Medi-Cal managed care plans of the California Medicaid Management Information System (CA-MMIS) billing restriction the Department of Health Care Services (DHCS) will be implementing. The billing restriction will prohibit most Medi-Cal providers from using the recipient's Social Security Number (SSN) to bill the Medi-Cal program. The implementation of the CA-MMIS billing restriction is scheduled to begin on February 1, 2008.

Background

The current Medi-Cal fee-for-service billing policy allows a provider to use the Medi-Cal recipient's SSN on the claim when the recipient's Medi-Cal Benefits Identification Card is not available. It has been found that fraudulent providers have purchased SSNs and then used them on claims to bill Medi-Cal. Assembly Bill (AB) 3029 (Chapter 584, Statute 2004) was placed into statute to prevent the fraudulent use of SSNs in the billing of claims in the Medi-Cal program. AB 3029 added Section 14045 to the Welfare and Institution Code, which prohibits most providers from billing Medi-Cal using a recipient's SSN.

To meet the intent of Section 14045, DHCS is implementing a billing restriction that will require most Medi-Cal providers to bill Medi-Cal using the 14-character Medi-Cal identification number from the Medi-Cal recipient's Benefits Identification Card (BIC). By requiring the Medi-Cal identification number, the fraudulent use of SSNs will be reduced. Unlike the recipient's SSN, should the fraudulent use of the Medi-Cal identification number take place, the Medi-Cal program can deactivate the BIC to prevent further fraudulent claiming. A new BIC with a new Medi-Cal identification number can be issued to the Medi-Cal recipient.

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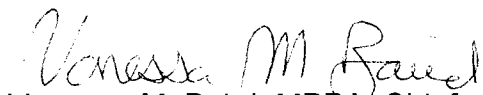
Under Section 14045, hospitals, long term care facilities, licensed primary care clinics, and emergency medical transportation are excluded from the SSN billing restriction. However, these excluded entities are required to make a good faith effort to obtain the recipient's BIC information for billing. For further information on the SSN billing instructions and exclusions, please review the November 2007 Medi-Cal Provider Bulletin which may be viewed at the Medi-Cal Website (www.medi-cal.ca.gov).

Reducing the Risk of Fraud

The purpose of Section 14045 is to reduce the fraudulent use of SSNs in the Medi-Cal Program. While the provisions of Section 14045 do not specifically include managed care entities, the Medi-Cal Managed Care Division (MMCD) strongly encourages the Medi-Cal managed care plans to take the necessary steps toward prohibiting providers from using the Medi-Cal recipient's SSN on claims for reimbursement. In addition, MMCD strongly discourages the Medi-Cal managed care plans who submit invoices for their beneficiaries with AIDS from including SSNs on the AIDS invoices. This applies to all Two-Plan model plans, AIDS Healthcare Foundation, Santa Barbara Regional Health Authority and the Health Plan of San Mateo. MMCD appreciates the cooperation from the Medi-Cal managed care plans to restrict the use of the recipient's SSN whenever possible, especially as an identifier in the processing of claims and/or to verify the recipient's Medi-Cal eligibility.

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

Sincerely,



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