STATE OF CALIFORNIA-HEALTH AND HUMAN SERVICES AGENCY

GRAY DAVIS, Governor

DEPARTMENT OF HEALTH SERVICES
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February 21, 2001

MMCD All-Plan Letter No. 01002

TO: Medi-Cal Managed Care Health Plans

SUBJECT: REPORTING AND OTHER REQUIREMENTS REGARDING WORKERS' COMPENSATION RECOVERY

PURPOSE:
The goal of this letter is to set forth and clarify reporting and reimbursement requirements for Medi-Cat managed care plan (MCP) contractors when a Medi-Cal beneficiary claims a work-related injury and the services related to that injury are provided by a MCP.

DEPARTMENT RECOVERY RIGHTS:
The Department of Health Services retains lien/claim rights in workers' compensation matters involving Medi-Cal members pursuant to Welfare and Institutions Code Sections 14124.70-l 4124.791.

Boehm and Associates (Boehm) is the contractor acting on behalf of the Department in workers' compensation cases.

WORK RELATED INJURIES:
When a beneficiary asserts that an injury was work related, but the workers' compensation carrier disputes the injury, the beneficiary may file a claim with the Workers' Compensation Appeals Board (WCAB). In these instances the Department, through Boehm, will file a claim with the WCAB. However, if the carrier does not dispute the injury, the workers' compensation insurance carrier may reimburse the provider of the service directly. If the insurance carrier reimburses the provider, the provider is not allowed to retain the Medi-Cal payment, and must return the funds to the Department in order to avoid duplicate payments.

CONTRACTOR RESPONSIBILITIES RE WORKERS' COMPENSATION CLAIMS:
Often the MCP contractor will be the first to receive notice of a possible workers' compensation claim when the beneficiary seeks treatment for the work-related injury. All MCP contracts require that contractors identify and notify the Department within 10 days of the discovery of any case in which an action by a Medi-Cal beneficiary involving the tort liability of a third party could result in recovery by the recipient of funds to which the Department has lien rights pursuant to the Welfare and Institutions

Code sections set forth above. In those cases where Boehm receives notification of a possible claim they will notify the MCP by requesting an itemization of medical services provided to the MCP member.

Tort liability actions include, but are not limited to, workers' compensation actions. The Department's lien rights extend to the MCP contractor's subcontractors; therefore all contracts entered into between the MCP contractor and its subcontractors should include a provision setting forth that the Department retains sole lien/claim rights in these cases.

Unlike personal injury cases, where the MCP contractor is required to contact the Department directly, when a MCP contractor provides services for Medi-Cal beneficiaries who claim a work-related injury, the MCP contractor should notify Boehm directly. Secondly, the MCP contractor shall obtain the following information by direct questioning of the injured member, or the member's parent, spouse, and/or guardian:

1) Member name
2) Address
3) Social Security Number
4) Telephone Number
5) Date of Injury
6) Type of injury
7) Attorney's name, address, and telephone number (if applicable)
8) Insurance Company name, address, and telephone number (if applicable)
9) Employer's name, address, and telephone number

Once this information is obtained the MCP contractor shall prepare an itemized list of all services provided to the member from the date of the injury forward. This itemized list (including out-of-plan services) must include the following information for each service:

1) Date(s) of service
2) Provider name (if different from the contractor)
3) Diagnosis code
4) Procedure description/procedure code
5) Value of services (usual, customary, and reasonable charges made to the general public)
6) Date of denial and reasons (if applicable)
7) Medi-Cal allowable amount (if applicable)
8) Amount billed by a subcontractor or out-of-plan provider (if applicable)
9) Amount and date paid by contractor to subcontractor or out-of-plan provider (if applicable)

If treatment will be ongoing, the MCP contractor must note this in the comment portion of the itemization and update this information as necessary. This information is required pursuant to the terms of the MCP contract and the California Code of Regulations, Title 22, and Sections 53861 and 53862. Once compiled, reports regarding workers' compensation are to be mailed to:

Boehm and Associates
P.O. Box K
Alameda, CA 94501

In the event a MCP contractor 'is contacted by a Medi-Cal member, the member's attorney or a workers' compensation carrier, requesting an itemization. for a workers' compensation claim, the MCP contractor shall direct these individuals to Boehm. Boehm's phone number is (510) 865-0544. Questions relating to reporting requirements should be directed to Joan Mitchell, Workers' Compensation Contract Specialist, at (916) 323-9698.

In the event a MCP contractor is contacted by Boehm or the Department requesting an itemization of medical services provided to a MCP member, the MCP contractor is responsible for forwarding the itemization to Boehm within 30 days of the date of the request.

REDUCING THE RISK OF DUPLICATE PAYMENTS:

The terms of the MCP contracts preclude MCP contractors from recovering duplicate payment for services provided to Medi-Cal beneficiaries. Accordingly, MCP contractors are required to comply with all of the contractual reporting requirements set forth in this letter.

In cases where the workers' compensation carrier does not dispute the injury, the carrier may improperly reimburse the provider of the service directly. In the event a provider or a MCP contractor receives payment from a workers' compensation carrier for treatment of a work-related injury, and the MCP contractor had not previously notified Boehm of the services related to a work-related injury, the MCP is required to follow the procedure set forth above describing the MCP's responsibilities with respect to workers' compensation claims. Once that data has been obtained, the itemization,

along with reimbursement for any payments received from the workers' compensation carrier, should be sent to:

Department of Health Services
Program Analysis Unit
P.O. Box 2471
Sacramento, CA 95812-2471

Payments received from workers' compensation insurance carriers after the MCP has notified Boehm of the services for a work-related injury should also be sent to this address.

If you have any questions, or need additional information or clarification, please contact your contract manager.

Cheri Rice

Cheri Rice, Chief
Medi-Cal Managed Care Division