STATE PLAN UNDER TITLE OF XIX OF THE SOCIAL SECURITY ACT
State: California

Third Party Liability

(1) California obtains information for the purpose of determining the legal liability of third parties from data exchanges with the State Wage and Income Collection Agencies (SWICA), SSA wage and earnings data, State Title IV-A Agency, State Title IV-D Agency, Commercial Insurance Carriers, Referrals, Health Insurance Premium Payment TPL Reviews, State Workers Compensation files, and from the diagnosis and trauma code edits on a monthly basis.

California has a waiver for conducting a data exchange with the State Department of Motor Vehicles (DMV), as accident reports do not provide sufficient information to enable identification of a Medicaid beneficiary.

(2) The methods the California Medicaid agency uses for meeting the follow-up requirements contained in 42 CFR 433.138 (g)(l)(i)and (g)(2)(i) are as follows:

SWICA, SSA Wage and Earnings File, and State Title IV-A Agency

The California Medicaid agency's Income and Eligibility Verification System (IEVS) cross matches applicant and recipient identification data with earning and income files consisting of State wage data; unemployment insurance benefit and income data; social security wage, benefits and income data; and the Internal Revenue Service and/or Franchise Tax Board unearned income data. The IEVS match is performed for all persons applying for, or receiving, Aid to Families with Dependent Children (Title IV-A) and Medi-Cal Only.

Collection of Health Insurance Information During Initial Application and Redetermination Processes for Medicaid Eligibility

Under California's Medicaid Program, eligibility determinations are performed by fifty-eight county welfare departments for individuals applying for Aid to Families with Dependent Children and the Medically Needy Program, and by the Social Security Administration (SSA), for individuals who apply for Supplemental Security Income/State Supplemental Program (SSI/SSP) benefits. Eligibility for the SSI/SSP programs is determined by SSA using the following federal criteria: aged 65 or over, blind or disabled, or are a blind or disabled child; meet income and resource limits; are a U.S. citizen, or a non-citizen who has been lawfully admitted for permanent residence and meet certain special conditions, and are a U.S. resident; do not reside in a public institution; and apply for benefits from all other programs for which the applicant may qualify. As of January 1, 2014, adults without children, ages 19-64, with income below the 138 percent federal poverty level are eligible for Medicaid. Health insurance information is collected by county eligibility and SSA staff and reported to the Department for inclusion in the Medicaid Management Information System (MMIS) data base.

The collection of health insurance information is performed during the initial application and redetermination process. County eligibility and SSA staff asks the applicant whether health insurance is available. Where an indication of insurance exists, the applicant, or the parent or

guardian of the applicant is given a health insurance form to complete. The county welfare departments use the Health Insurance Questionnaire (DHS 6155) form and SSA uses the TPL information Statement (SSA-8019-U2) form to collect applicant health insurance information to report to the Department. The recipient is obligated to report to the county department any entitlement to other health care coverage at the time of application, reapplication, or redetermination; and report any change in other health care coverage no later than 10 calendar days from the date the beneficiary becomes aware of the change. The county eligibility workers are responsible for reporting other health coverage (Tricare and non-Medicaid plans) of the recipients to the Department. The Department is responsible for entering the insurance information and other health coverage coding for the recipients' case records. As SSA does not have access to the Medi-Cal Eligibility Data System (MEDS), the Health Insurance coding of SSI/SSP recipients' case records is performed by the Department. The Health Insurance codes are stored in MEDS to direct providers when to bill the insurance coverage. Medi-Cal recipients are also advised to use their private insurance provider when other health insurance is available. Codes are also passed to the State's fiscal intermediary via the Fiscal Intermediary Access to MEDS Eligibility (FAME) file for processing claims involving private health insurance. As federally required, the Department updates the Health Insurance System (HIS) file to be utilized for program post payment recoveries and cost avoidance within sixty (60) days of receiving the health insurance information.

Collection of Health Insurance Information by the State Title IV-D Agency

The Child Support Enforcement (IV-D) Program is administered by the Department of Child Support Services through the County Child Support Agency Offices. These are known as the California Child Support Enforcement agencies or local IV-D agencies. These IV-D agencies play an important role in medical support establishment and enforcement. They are responsible for securing and enforcing court orders requiring parents to obtain and maintain health insurance coverage for dependent children. The IV-D agencies are also required to transmit relevant health insurance information to the Department when medical support is secured for the Med-Cal eligible dependent child through a court or administrative order.

The IV-D agencies report health insurance information to the Department via the electronic exchange derived by information from the Medical Insurance Form (DHS 6110). This form is designed to be completed by the Med-Cal dependent's parents, employer of the parent, other third party providing health insurance to the parent, or the IV-D agency. The completed forms are processed by the IV-D agencies. Since Federal regulations exclude IV-D case from cost avoidance, the Department updates MEDS with the appropriate post payment recovery code and adds billing information to the HIS file. The only exception to coding for cost avoidance is if the Medi-Cal dependent's insurance coverage is reported through another health coverage carrier without an indicator. The Department updates the HIS files within sixty (60) days of receiving the information from the Department of Child Support Services (DCSS) as federally required.

STATE PLAN UNDER TITLE OF XIX OF THE SOCIAL SECURITY ACT
State: California

Private Health Insurance Carrier Data Exchanges

To identify Medi-Cal eligibles with other health coverage, the California Medicaid agency conducts data matches with a variety of other health coverage carriers and their third party administrators. Carriers are identified for data matches based on carrier size and cost benefit of the match. Data matches are also conducted by the Department's private contingency fee contractor(s). The Department or its contractor negotiates contracts and produces exchange tapes. From the resulting information, the Department updates beneficiary health insurance information on MEDS and the Department's HIS file. Through data matches, Medi-Cal beneficiaries having other health coverage at present or any time during the past thirty-six (36) months are identified and updated in MEDS.

BENDEX

The California Medicaid agency uses the BENDEX system to identify the Social Security status and changes to a Medi-Cal beneficiary's Social Security benefits or earnings. The Department also uses the BENDEX system to identify Medicare Part A and B entitlement, option codes, effective dates, termination dates, and termination codes. The automated Buy-In system interfaces with MEDS to extract Medicare entitlement information from the BENDEX file and initiates changes in MEDS. This information is then used in the Medicare coding of the Medi-Cal card.

The Department of Social Services uses the BENDEX file for verification of AFDC recipient unearned income. This information is provided to counties through the Payment Verification System (PVS), which is a subset of IEVS. In addition, verification of wages is provided to counties from information in the Beneficiary Earnings Exchange Record (BEER) through the PVS. The BEER is part of the BENDEX.

Referrals

Referrals are acknowledgments received either through electronic correspondence or telephone calls from beneficiaries, medical providers, and other government or private agencies informing the Department that a Medi-Cal beneficiary has or no longer has other health coverage. Each referral is handled by Department staff in order to update all necessary beneficiary health insurance information. Medi-Cal recipients are also advised to use their other health coverage (Tricare and non-Medicaid plans) when other health benefits or insurance is available. Once complete health insurance information is obtained, it is input into the HIS file to be utilized for program post payment recoveries and cost avoidance. The Department also updates MEDS with the appropriate Other Health Coverage (OHC) indicator code.

Health Insurance Premium Payment TPL Review

When an individual inquires about participation in the Health Insurance Premium Payment (HIPP) Program, Department staff request the individual’s Social Security Number in order to review MEDS for share of cost, Other Health Coverage (OHC) Information, Medicare

entitlement and Medi-Cal eligibility. If MEDS indicates no OHC code, the individual is asked if he/she has health insurance coverage. If the individual responds in the affirmative, he/she is asked to provide specific health insurance information (i.e., carrier name, carrier address, policy number, and scope of coverage). Once complete information is obtained, the Department updates MEDS with the appropriate OHC indicator and the Health Insurance (HIS) file.

Workers' Compensation

California's Medicaid agency receives copies of all Workers' Compensation Appeals claims. Within sixty days, these claims are matched against eligibility files to identify Medi-Cal eligibles. If Medi-Cal eligibility is identified, a potential third party liability case is established and an investigation is made to determine if a recovery can be made. In addition, copies of applications for adjudication are sent to the Department of Social Services (DSS). In turn, DSS sends these copies to the appropriate local IV-D agency District Attorney (DA) office. If the absent parent has employer related health insurance coverage available, the county DA office provides follow-up service to identify whether the appeal can be linked to an active Medi-Cal dependent IV-D case. If the DA discovers employer coverage, the DA requires the absent parent, through a court or administrative order, to provide health insurance and to complete medical insurance form DHS 6110. The completed DHS 6110 forms are sent by the DA’s office of the Department.

(3) As stated in Section "Third Party Liability (1)", California's Medicaid agency does not obtain information from DMV.

(4) The Medicaid agency conducts edits of paid claims to identify treatment provided as a result of injury using trauma diagnosis codes from the International Classification of Disease in effect on the date of service. The Department generates letters, seeking potential third party liability information, when the service listed on the claim relates to an injury diagnosis and it is cost-effective to do so.

Private Health Insurance Carrier Data Exchanges

To identify Medi-Cal eligibles with private health coverage, the California Medicaid agency conducts data matches with a variety of private health insurance carriers and other third party entities. Carriers are identified for data matches based on carrier size and cost benefit of the match. Data matches are also conducted by the Department's private contingency fee contractor(s). The Department or its contractor negotiates contracts and produces exchange tapes. From the resulting information, the Department updates beneficiary health insurance information on MEDS and the Department's HIS file. Through data matches, Medi-Cal beneficiaries having health coverage with the health insurance carrier at present or any time during the past six months are identified.

BENDEX

The California Medicaid agency uses the BENDEX system to identify the Social Security status and changes to a Medi-Cal beneficiary's Social Security benefits or earnings. The Department also uses the BENDEX system to identify Medicare Part A and B entitlement, option codes, effective dates, termination dates, and termination codes. The automated Buy-In system interfaces with MEDS to extract Medicare entitlement information from the BENDEX file and initiates changes on MEDS. This information is then used in the Medicare coding of the Medi-Cal card.

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