



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



EDMUND G. BROWN JR.
GOVERNOR

DATE: August 18, 2014

MHSUDS INFORMATION NOTICE NO.: 14-024

SUBJECT: DRUG MEDI-CAL DEACTIVATION OF AID CODES 4K, 69, 74, 80

PURPOSE

This notice communicates the deactivation of Medi-Cal eligibility aid codes 4K, 69, 74, and 80 for purposes of billing for Drug Medi-Cal (DMC) services, on August 14, 2014. The deactivation of these aid codes in the Short-Doyle claim processing system will ensure that claims for DMC services are denied when submitted utilizing these codes.

There has been no DMC billing activity regarding aid codes 4K, 69, and 74. For aid code 80, this deactivation is on a prospective basis, meaning that no retroactive corrections will be made for DMC services billed using this aid code.

DISCUSSION

Aid Codes 4K, 69, and 74

Refer to the Short-Doyle Medi-Cal Aid Code Master Chart on the website at:
<http://www.dhcs.ca.gov/services/mh/Pages/MedCCC-Library.aspx>

Aid Code 4K (Master Chart page 15) was termed as of June 1996 in the MEDS column, meaning it is no longer an active code.

Aid Codes 69 and 74 are shown on pages 20 and 21. These codes are restricted to “emergency services only”. There are no emergency services in Drug Medi-Cal.

Aid Code 80

This code is on Master Chart page 23. This code only provides for the payment of Medicare Part A premium and Part A and B coinsurance and deductibles for eligible low income aged, blind, or disabled individuals. This code does not provide for reimbursement of any Medi-Cal services.

There are two All County Welfare Director's Letters (ACWDL) on the DHCS website at <http://www.dhcs.ca.gov/services/medi-cal/eligibility/Pages/1989ACWDLs.aspx> which provide information on this aid code. One is ACWDL 89-80 and the other is ACWDL 89-116.

ACWDL 89-80

This ACWDL established the Qualified Medicare Beneficiaries (QMB) program starting January 1, 1990.

- The Background section states that the Medicare Catastrophic Coverage Act of 1988 (MCCA) expanded Medicare benefits and also made changes to Medi-Cal. It states that the MCCA also requires states to pay for Medicare cost-sharing expenses of low income Medicare beneficiaries; for example, deductibles and coinsurance. These beneficiaries eligible for these expanded Medicare benefits are called QMB beneficiaries.
- In this ACWDL, the Part A Enrollment Section states that Medi-Cal pays the Medicare Part A deductibles and coinsurance of Medi-Cal beneficiaries; does not pay the Medicare Part A premium but the new QMB program will require Medi-Cal to pay the Medicare Part A premium also.
- In this ACWDL, the Part B Enrollment Section states that Medi-Cal does not receive FFP to pay for Part B premiums but the new QMB program will make that FFP available.

The purpose of aid code 80 is only to identify the QMB-eligible beneficiaries because a QMB beneficiary receives the expanded Medicare benefits bulleted above. Counties and service providers submit DMC claims into the Short Doyle system for adjudication. Counties and service providers do not submit the payment of Medicare premiums and deductibles into the Short Doyle system for adjudication.

ACWDL 89-80 page 3 states that those who establish dual Medicare/Medi-Cal eligibility will be reported to MEDS as aid code 80 in addition to their current aid code. It states they will continue to show their current aid code on MEDS with aid code 80 in one of the special program segments. This means aid code 80 only identifies the QMB-eligible beneficiaries but beneficiaries have another aid code through which they can receive Medi-Cal services.

ACWDL 89-116

The first page of this ACWDL states that the Department established aid code 80 as the new aid code to identify QMBs. In this ACWDL, question 8 on page 8 confirms that this aid code does not cover Medi-Cal services. Question 8 is: Since the State is paying only for co-insurance and deductibles, not services for the QMB beneficiaries, what

does the provider do with the QMB stickers? The answer is that the provider must follow the normal billing procedures for Medicare cross-over claims.

Medi-Cal Provider Manual

The Medi-Cal Provider Manual contains a document providing information on QMBs and how to bill Medi-Cal for QMBs. Do the following to access the QMB information in Provider Manual Part 1:

- Access www.dhcs.ca.gov
- Select “Providers & Partners”
- Select “Medi-Cal Bulletins/Manuals”
- Select “Medi-Cal Manuals”
- Select “Part 1-Medi-Cal Program and Eligibility
- Select the item titled “Medicare/Medi-Cal Crossover Claims Overview (medicare)”
- Select “Open” to open the file

The QMB information is on page 12 in that document. Page 1 in that document advises providers to refer to Medicare/Medi-Cal crossover claims sections in the appropriate Part 2 manual for claim form billing instructions and examples.

REFERENCES

Short-Doyle Med-Cal Aid Code Master Chart

Questions concerning this notice and its exhibits should be directed to Jim.Jacobson@dhcs.ca.gov, (916) 445-5539.

Sincerely,

Karen Baylor, Ph.D., LMFT, Deputy Director
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