STATE OF CALIFORNIA—HEALTH AND WELFARE AGENCY

PETE WILSON, Governor

DEPARTMENT OF HEALTH SERVICES
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June 22, 1994

TO: All County Welfare Directors
All County Administrative Officers
All County Medi-Cal Program Specialists/Liaisons

Letter No: 94-59

VERIFICATION OF OTHER HEALTH COVERAGE (OHC) TERMINATION

This letter is to advise counties of new procedures regarding clients' reporting termination of OHC. These procedures should be implemented as soon as possible, but no later than August 1, 1994.

In the past, counties have been instructed to accept the client's word when the client reported that his/her OHC terminated. Many counties have pointed out the need, however, for procedures to verify termination of OHC. In order to assure accurate termination reporting, counties shall verify OHC terminations as described below for all Medi-Cal recipients, including Supplemental Security Income/State Supplementary Payment (SSI/SSP) eligibles.

Requests from SSI/SSP recipients to update or delete OHC information and issue replacement cards must be processed by the counties in accordance with Title 22, California Code of Regulations, Section 50743 (3) (C) and Medi-Cal Eligibility Manual--Procedures Section 15A, (10) (b). Section 50473 (3) (C) requires counties to assist SSI/SSP recipients when the Medi-Cal card has erroneous information and a replacement card is necessary. The Social Security Administration (SSA) has no statutory or contractual responsibility to correct or update Medi-Cal OHC information beyond reporting OHC identified during the initial intake or redetermination process.

Verification Required Before Removing OHC Code from MEDS

As a means of ensuring that Medi-Cal is the payor of last resort, counties must verify that a Medi-cal beneficiary's OHC has terminated prior to removing the OHC code from Medi-Cal Eligibility Data System (MEDS).

Verification of OHC termination will be either:

1. A payroll or pension check stub which shows deductions for private health insurance have ceased.

2. An Explanation of Benefits from the insurance carrier showing the date the policy terminated.

3. A termination letter from the insurance carrier and/or the employer showing the date the policy terminated. If the letter indicates that continuation of medical benefits is available under COBRA law, and the beneficiary has a high cost medical condition, county staff should complete a Health Insurance Questionnaire (DHS 6155) and send it to the Department's Health Insurance Premium Payment Unit, P.O. Box 1287, Sacramento, California 95812-1287.

4. An affidavit signed by the Medi-Cal beneficiary stating he/she no longer has, or never had, OHC. This affidavit should also include the date the policy terminated if known. This affidavit may be used when an erroneous OHC code appears on a recipient's Medi-Cal card after the Department conducts a data match with an insurance carrier, or in any other situation where the client cannot otherwise verify termination. The affidavit also may be used when a custodial parent or guardian cannot verify termination of an absent parent's insurance.

Notify the Department of OHC Termination

County eligibility workers must maintain a copy of the verification of OHC termination in the case file of county administered cases and send a completed DHS 6155, showing the policy termination date to the Department. For SSI/SSP cases, county eligibility workers should attach a copy of the verification to the completed DHS 6155 showing termination date and send both documents to the Department.

Submitting a completed DHS 6155 allows the Department to update the Health Insurance System (HIS), and thus the claims processing systems, with the termination date. If for some reason the Department had not received the initial health insurance information, this DHS 6155 will be used to establish a HIS record. In some instance, the insurance carrier will then be billed for any Medi-Cal covered services received during the policy effective dates.

High Cost Medical Condition

Medi-Cal eligibles who have a high cost medical condition and who also qualify for continuation of medical benefits under COBRA law should be referred to the Department's Health Insurance Premium Payment (HIPP) Unit as specified above. For more information about HIPP, please refer to All County Welfare Directors Letter No. 93-37.

Beneficiaries Calling DHS to Request OHC Code Removal from MEDS

County Medi-Cal eligibles calling the Department's Health Insurance Section will be referred to the county eligibility worker for verification of OHC termination. This will also enable the county eligibility worker to determine whether there is a need to reevaluate the case budget because the premium is no longer being paid by the beneficiary.

Calls received by the Department from SSI/SSP recipients will be processed by the Department's Health Insurance Section. Department staff will verify OHC terminations with the insurance carrier in this situation.

Data Match Criteria

Several counties have asked about the match criteria the Department uses when conducting data matches with health insurance carriers. The Department is currently using first and last name, date of birth, and Social Security number to identify Medi-Cal eligibles with OHC. Data match contracts require the insurance carriers to provide only current and active enrollment information, however, the Department has no control over what is on the insurance carriers' files. Consequently, insurance may be reported when, in fact, there is no current coverage. If this occurs, the recipient need only sign an affidavit which states that he/she no longer has, or never had, OHC with that insurance carrier.

Beneficiary Letter

Enclosed for your information is a copy of the letter which will be sent to all Medi-Cal cases identified as having OHC. These include individuals who have insurance coverage that was reported to the county welfare department or SSA or that was identified through the data match process. The letter details the new requirement that beneficiaries provide written verification of OHC termination to the county welfare department. The first mailing is targeted for July 15, 1994 and the letter will be sent semi-annually thereafter.

If you have any questions regarding this letter, please contact Mr. Rick Anglin, Payment Systems Division, Health Insurance Section, at (916) 327-0068.

Sincerely,

ORIGINAL SIGNED BY

FRANK S. MARTUCCI, Chief
Medi-Cal Eligibility Branch

Enclosure

ATTENTION MEDI-CAL RECIPIENTS WITH PRIVATE HEALTH INSURANCE COVERAGE

(CASE NAME AND ADDRESS) (DATE)

The Medi-Cal program has been advised by the County Welfare Department, Social Security Administration or insurance carrier that you have private health insurance coverage. State and Federal laws require that you report private health insurance and that it be utilized before Medi-Cal. Coverage information is given to your medical providers so they can bill your insurance first. Your private health insurance and Medi-Cal work together to provide you with more comprehensive medical care.

To insure that the Medi-Cal program maintains correct information regarding your health insurance, please provide your County Welfare Department with written verification if your insurance terminates. This verification can be: 1) A payroll or pension check stub which shows the deductions for health insurance have stopped; 2) An Explanation of Benefits (EOB) from the insurance carrier showing the date the policy terminated; or 3) A termination letter from your insurance carrier and/or your employer showing the date your policy terminated. If you don't have any of these, you may sign an affidavit at the county welfare office stating that you no longer have, or never had, insurance coverage.

If the termination letter from your insurance carrier or employer indicates that continuation of medical benefits is available under the Consolidated Omnibus Budget Reconciliation Act (COBRA) law, **and you have a high cost medical condition,** Medi-Cal may pay your private health insurance premium. Please call 1-800-952- 5294 for more information.

NOTE: If there has been no change in your health insurance, there is no need to contact the County Welfare Department, Social Security Administration or the Department of Health Services about this notice.