STATE OF CALIFORNIA--HEALTH AND WELFARE AGENCY

PETE WILSON, Governor

DEPARTMENT OF HEALTH SERVICES
714/744 P STREET
P.O. BOX 942732
SACRAMENTO, CA 94234-7320

(916) 657-2941

October 11, 1994

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

Letter No.: 94-77

REVISION TO MEDI-CAL ELIGIBILITY MANUAL (MEM) PROCEDURES SECTION 14E

This letter transmits updated revisions to MEM Procedures, Section 14E, which describes requirements for issuance of Letter of Authorization (LOA)/form MC 180.

As you are aware, counties now issue a LOA to a beneficiary (to be given to providers) for billing purposes beyond the one-year limit. Specific conditions are provided in Title 22, California Code of Regulations, Section 50746, i.e., county administrative error.

Specifically, we are providing counties with:

1) A new LOA/form MC 180 which eliminates the need for counties to prepare an LOA on a letterhead and to generate a paper Medi-Cal card.

2) A new version of Procedures Section 14E; new LOA.

3) Adding a category to the LOA which specifically addresses the Supplemental Security Income/State Supplemental Payment (SSI/SSP) category to be used when SSI/SSP eligibility was approved for a retroactive period, but cards were not issued by the Department of Health Services (DHS).

4) Also, we added at the bottom of the LOA a statement which states date of application, approval date, eligibility worker name and number, and telephone are not needed when eligibility is established by the Social Security Administration.

5) A number of examples describing extenuating circumstances have been added.

6) The requirement to provide Payment Systems Division with a current list of county staff who are authorized to sign a LOA has been removed.

7) The new LOA form will be individually numbered in order to reduce the potential for unauthorized use.

For county internal control purposes, we are recommending that counties maintain a listing of the designated county staff or position level authorized to sign an LOA. Additionally, LOA letter stock should be maintained in a secured area comparable to the current treatment of Medi-Cal card stock. You may order these new LOA/MC 180 forms from the DHS Warehouse through the normal forms ordering process.

A Medi-Cal Eligibility Manual letter will follow this All County Letter.

If you have any questions, please contact Craig Yagi of my staff at (916) 657-1182.

Sincerely,

ORIGINAL SIGNED BY

FRANK S. MARTUCCI, Chief
Medi-Cal Eligibility Branch

Enclosure

Article 14 -- MEDI-CAL CARD USE AND ISSUANCE

14A -- COUNTY ISSUANCE OF MEDI-CAL IDENTIFICATION CARD, MC 301 AND MC 301 RED

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14C -- CHANGING COUNTY ID NUMBERS

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Article 14 -- MEDI-CAL CARD USE AND ISSUANCE

14A -- COUNTY ISSUANCE OF MEDI-CAL IDENTIFICATION CARD, MC 301 AND MC 301 RED

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2. Authorizing Issuance of MC 301 and MC 301 RED)

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14B -- HANDLING OF SUPPLEMENTAL SECURITY INCOME/STATE SUPPLEMENTARY PAYMENT MEDI-CAL CARD PROBLEMS

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8. Use of Form MC 5

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14C -- CHANGING COUNTY ID NAMES

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14E -- LETTER OF AUTHORIZATION/MC 180 PROCESS

1. Letter of Authorization/MC 180 issuance for SSI/SSP recipients only

2. Definition of Administrative error

3. Administrative error procedures

4. Redesigned LOA (MC 180)

5. Form MC 180

14E--LETTER OF AUTHORIZATION/MC 180 PROCESS

The county welfare department shall not issue an Letter of Authorization (LOA) original numbered MC 180, except as provided by in Section 50746. Section 50746 limits issuance of LOA/MC 180 to those Medi-Cal beneficiaries whose Supplemental Security Income/State Supplementary Payment (SSI/SSP) eligibility was approved but Department of Health Services (DHS) did not issue cards, involved in court actions, state or other administrative hearing decisions, county determination of administrative error, and State DHS request.

1. LETTER OF AUTHORIZATION/MC 180 ISSUANCE FOR SSI/SSP RECIPIENTS ONLY

The period of SSI/SSP-based Medi-Cal eligibility begins with the month SSI/SSP cash assistance is effective. However, DHS is unable to automatically issue cards for the period between the effective month of eligibility (if it is prior to current month) and the month the SDX update is received. Since the person was entitled to a card but the Department failed to issue one, this is considered a state administrative error.

Before issuing an original numbered LOA/MC 180 to an SSI/SSP recipient who requests one more than one year after the date of service, the county must ensure that the claimant was eligible for SSI in the month for which a card is being requested. Since Medi-Cal Eligibility Data Systems (MEDS) does not go back more than 15 months, the burden of proof will fall upon the claimant, i.e., the claimant must obtain from Social Security proof of his/her SSI eligibility for the month in question. (See Section 50167(a)(1)(B) for examples of acceptable proof of SSI eligibility.)

2. DEFINITION OF ADMINISTRATIVE ERROR

As mentioned above, one of the reasons listed in Section 50746 for issuance an LOA/MC 180 for billing beyond the one-year limit is if an administrative error occurred. An administrative error is defined as an erroneous action, or a required action not taken, which resulted in the failure of the County or the State to provide a Benefits Identification Card along with documenting eligibility on MEDS within one year of the date of service when the eligibility determination has been conducted in accordance with state regulations, policy and procedures.

Some examples of acceptable administrative errors include the following:

- Failure of the county welfare department to approve a Medi-Cal application by a potentially eligible individual due to legitimate errors made in the course of determining eligibility (e.g., an applicant was denied but should have been approved and didn't file an appeal or; an applicant's file was misplaced and eligibility was never determined).

- Failure to issue a Medi-Cal card within one year from the date of service because the county system or MEDS shows a incorrect beneficiary address for the month of request.

- Failure to issue a Medi-Cal card within one year from the date of service because either the county never sent the original MC 177 to the State, or the original MC 177 is in the case file with an error slip from the State because it was not corrected and returned to the State for processing of Medi-Cal card. Administrative errors for this reason will cease to exist once the on-line system is fully implemented.

- The county issues a card within one year, but it is coded incorrectly and cannot be used to bill for the services rendered (e.g., the card/label shows a Medically Indigent/Long-Term Care (53) aid code and the applicant received and is eligible for acute care services in that month).

It is not possible to list all examples of an administrative error. If the county is unsure whether a particular situation meets the definition of an administrative error, the Medi-Cal Eligibility Branch should be contacted for clarification.

3. ADMINISTRATIVE ERROR PROCEDURES

Whenever an administrative error occurs, it must be documented and described fully in the case file as soon as possible after the error has occurred.

Counties must take precautions to ensure that case-processing delays which are the result of routine errors in filing, photocopying, etc., do not contribute excessively to the incidence of administrative errors.

It is usually a request from a beneficiary for an LOA/MC 180 to pay for bills more than one year after the date of service that creates the need for an administrative error determination. However, there are situations, as limited by Procedures Section 14D, in which a request from an acute care hospital or primary care clinic can generate an administrative error determination. Participating providers can easily obtain eligibility information on any Medi-Cal patient up to thirteen months (current month and previous twelve months) through the Automated Eligibility Verification System. This should help providers obtain eligibility information timely and thereby avoid having to request an administrative error determination at a later date.

Should the county find that an administrative error has occurred, an original numbered LOA/MC 180 must be completed with the "administrative error" line checked, a description of the administrative error given, and the appropriate case information provided (Medi-Cal ID number, application date, eligibility worker's name, phone, and etc.). This letter must bear the original signature of the county authorized staff person. Photocopies will not be accepted.

A category exists to accommodate an SSI decision when an SSI-based Medi-Cal card is to be issued beyond the one-year limit.

The beneficiary should request a Medi-Cal LOA/MC 180 within six months of the decision or four months from date of SDX update. Exceptions due to unusual circumstances should be referred to Medi-Cal Eligibility Branch.

If the county finds that an administrative error does not exist in a particular situation, but extenuating circumstances exist beyond the beneficiary's or the county's control, the county may contact the Medi-Cal Eligibility Branch for assistance. Please be advised that billing problems are not by themselves considered an extenuating circumstance. Furthermore, beneficiaries who are sent to collections after providing a Medi-Cal card should be told that Welfare and Institutions Code Section 14019.4 precludes a provider from billing the beneficiaries in these situations.

An example of extenuating circumstances beyond a beneficiary's control would be a medical condition that severely impaired his/her functioning. Additionally, the beneficiary would need to describe how this reduced function prevented him/her from giving the provider(s) the necessary documentation of his/her Medi-Cal eligibility.

The Medi-Cal Eligibility Branch will evaluate whether a LOA/MC 180 can be issued pursuant to Title 22, CCR, Section 50746 (a)(4), which provides for a LOA/MC 180 to be issued by DHS request. The procedure to seek DHS authorization for issuance in these cases is as follows:

- The request must be in writing on county letterhead;
- It must list chronologically the sequence of events in the processing of the case and the circumstances surrounding the error;
- It must carry the original signature of a County Welfare Department Director or his/her DHS-approved designee (photocopied signatures will not be accepted); and
- The request must be accompanied by an original LOA/MC 180 for each provider. However, in the event that one provider is billing for services for more than one month, one original LOA/MC 180 is sufficient.

In the event that DHS, upon consideration of the request authorizes issuance of a LOA/MC 180, the LOA(s) will be signed by an authorized DHS staff person and returned to the county.

Claims for reimbursement shall be made in the same manner as indicated above for administrative errors.

4. REDESIGNED LOA (MC 180)

The LOA/MC 180 is basically an updated version of the Administrative Error Letter. A number of elements have been added which expand its scope and provide for more effective claims processing and record-keeping.

- The date of application, the date the case was approved, the EWs name and number, and a phone number must be provided on each LOA/MC 180 (except in cases of SSI card issuance).
- A space has been designated for the county to describe the administrative error. Such description should be a narrative which fully explains the error rather than two or three words (phrases like "procedural error", "MEDS error", and "card not issued" are not sufficient). LOAs/MC 180 submitted to the claims payer without a satisfactory description of the administrative error may be returned to the county for additional information.
- A note has been added to remind the beneficiary that a LOA/MC 180 will be needed for each provider.
- The LOA/MC 180 also contains a section at the bottom which instructs providers to send over-one-year claims to Electronic Data Systems Federal Corporation.

5. COPY OF LOA/MC 180 FORM

STATE OF CALIFORNIA - HEALTH AND WELFARE AGENCY
DEPARTMENT OF HEALTH SERVICES

ELIGIBILITY LETTER OF AUTHORIZATION

Document Number
XXXXXXXX

Issuing County:
Medi-Cal ID #:
* Worker's Name:
* Worker's Number
* Worker's Telephone #:
* Date of Application
* Date of Approval:

Beneficiary's Name, Address, City, State and Zip

Dear _____:

RE: Medi-Cal Billing for: ___/___ ___/___ ___/___ ___/___ ___/___ ___/___
Mo Yr Mo Yr Mo Yr Mo Yr Mo Yr Mo Yr

This original numbered MC-180 is approval for Medi-Cal providers to bill services provided to you during the above referenced months. An MC-180 is being issued in accordance with Title 22, California Code of Regulations (CCR) Section 50746. This regulation permits county welfare departments to issue documentation of eligibility which can be used by beneficiaries for periods more than one year after the month of service as a result of one of the following reasons:

1. ☐ SSI/SSP eligibility was approved for a retroactive period but cards were not issued by the State Department of Health Services.
2. ☐ A court order requires that a card be issued.
3. ☐ A State Hearing or other administrative hearing decision requires that a card be issued.
4. ☐ The State Department of Health Services requests that a card be issued. (Original signature of an authorized DHS staff person: _____).
5. ☐ An Administrative Error has occurred.
(Description) _____

Please give your doctor or other medical provider this form for the applicable month(s)/year(s) of service. Providers do not need to submit a Medi-Cal proof of eligibility label with their claims when using this MC-180.

If you were provided services by more than one doctor or provider, please contact your worker to obtain additional original copies of this form.

Sincerely,

_____
(Original Signature of Authorized County Administrative Staff)

INSTRUCTIONS TO PROVIDER
Submit this form, along with the claim(s), to:

EDS Federal Corporation
Attention: Over-One-Year-Unit
P.O. Box 13029
Sacramento, CA 95813-4029

MC 180 (5/94)

* This information is not needed when eligibility is established by the Social Security Administration