DEPARTMENT OF HEALTH SERVICES
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April 10, 1995

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

Letter No.: 95-26

NOTICE TO ALL MEDI-CAL RECIPIENTS WITH PRIVATE HEALTH INSURANCE COVERAGE

This is to advise counties of the Department of Health Services' plans to send a notice to all Medi-Cal recipients with private health insurance coverage regarding changes in federal and state law resulting from the Omnibus Budget Reconciliation Act of 1993. In addition, information will be included regarding the requirement that recipients must document termination of private health insurance coverage (see All County Welfare Directors Letter No. 94-59) and a reminder that under certain circumstances Medi-Cal will pay insurance premiums under the Health Insurance Premium Payment or the Employer Group Health Plan programs.

This mailing is for information only and does not require a reply by the recipient. The notice will be in newsletter format and will include a Spanish translation. As you may receive inquiries about the mailing, a copy of the text is enclosed for your reference. The notice is scheduled for release in March 1995.

If you have any questions regarding this notice, you may contact Ms. Susan Shafer at (916) 323-1974.

Sincerely,

ORIGINAL SIGNED BY

Frank S. Martucci, Chief
Medi-Cal Eligibility Branch

Enclosures

DID YOU KNOW THAT MEDI-CAL MAY PAY YOUR INSURANCE PREMIUMS?

If you are a Medi-Cal beneficiary with private health insurance, you may qualify for the Department of Health Services (DHS) to pay your health insurance premiums! Under the **Health Insurance Premium Payment (HIPP) program**, DHS will pay health insurance premiums for Medi-Cal beneficiaries with high cost medical conditions, when it is cost effective to do so.

In order to qualify for the HIPP program you must meet ALL of the following conditions:

1. You must currently be on Medi-Cal.

2. Your Medi-Cal share of cost must be $200 or less.

3. You must have an expensive medical condition. The average monthly cost of your health care must be at least twice as much as the monthly insurance premiums. If you have a Medi-Cal share of cost, that amount will be subtracted from your monthly health care costs to determine if paying the premiums is cost effective.

4. You must have a current health insurance policy, COBRA continuation policy, or a COBRA conversion policy in effect or available at the time of application.

5. Your health insurance policy must not exclude your high-cost medical condition.

6. Your application must be made in time for the State to process and start payment.

7. Your health insurance policy must not be issued through the California Major Risk Medical Insurance Board.

8. You must not be enrolled in a Medi-Cal related pre-paid health plan, the San Mateo County Health Plan, the Santa Barbara County Health Initiative, the Solano Partnership Health Plan, the Sacramento Geographic Managed Care Program, or a County Medical Services Program.

To find out if you qualify, call us today at 1-800-952-5294.

If you have a family, ask about the **Employer Group Health Plan program**. We may be able to pay the private health insurance premiums for your whole family.

YOU MUST REPORT TERMINATION OF YOUR PRIVATE HEALTH INSURANCE

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 used 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 ensure 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 do not have any of these, you may sign an affidavit at the county welfare department 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.**

IMPORTANT INFORMATION FOR ALL MEDI-CAL RECIPIENTS WITH PRIVATE HEALTH INSURANCE COVERAGE

As a Medi-Cal recipient with private health insurance coverage, you now have more protection under federal and state laws. These laws were effective July 9, 1994. Under these new laws, an insurance company cannot discriminate against you because you are eligible for Medi-Cal. The insurance company cannot deny enrollment or reduce payments or benefits because you are eligible for Medi-Cal.

There are also new laws about health insurance provided by absent parents. These new laws apply when there is a court or administrative order that an absent parent provide insurance coverage for a child who is eligible for Medi-Cal.

- If you are a custodial parent or guardian, you may now get benefit information, the claim forms and receive payments directly from the insurance company without contacting the absent parent.

- Employers, by law, will deduct the costs of children's health insurance premiums from the absent parent's income.

- Insurance plans will enroll the child under the absent parent's policy at any time, even outside an "open enrollment" period. The insurance plan cannot deny enrollment because of where the child lives, whether the parents are married, or whether the child can be claimed on the absent parent's income tax return. If the absent parent does not enroll the child in the insurance plan, the custodial parent, guardian, District Attorney, or the Department of Health Services may do so.

- A child cannot be disenrolled from the absent parent's insurance plan unless the court or administrative order is removed, the employer no longer carries the insurance for employees or when another insurance plan takes its place.

If you have questions about these new laws or if you feel you are being discriminated against by an insurance plan because you are eligible for Medi-Cal, please contact the Department of Health Services, Third Party Liability Branch, P.O. Box 1287, Sacramento, California 95812-1287. You may also call 1-800-952-5294.