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

DIANA M. BONTÁ, R.N., Dr. P.H.
Director

GRAY DAVIS
Governor

September 23, 2002

To: All County Welfare Directors
All County Administrative Officers
All County Medi-Cal Program Specialists/Liaisons
All County Health Executives
All County Mental Health Directors
All CalWORKs Program Managers

Letter No: 02 - 46

THIRD PARTY LIABILITY BRANCH BILLING PROCESS CHANGE

The purpose of this All County Welfare Directors Letter (ACWDL) is to inform the counties on changes in the Medi-Cal Post Payment Recovery (PPR) billing process. The PPR process allows the Third Party Liability (TPL) Branch's Health Insurance Section to seek reimbursement from health insurance carriers for Medi-Cal payments made to providers before the recipient's health insurance coverage was identified; or for the recipient who is exempt from cost avoidance requirements [specifically those with an A Other Health Coverage (OHC) code that allows medical providers to bill Medi-Cal directly without billing the OHC first].

The PPR billing cycle was revised during the 2001-02 and 2002 -03 fiscal years, from a 270-day cycle to a 90-day cycle and from four bills to two bills 30 days apart.

Health insurance carriers will receive a Health Insurance Payment Demand (HIPD) prepared by the Medi-Cal Fiscal Intermediary, entitled Original Bill, when OHC is discovered. This Original Bill will include all claims that show no evidence the health insurance carrier has been previously billed or has paid all or a portion of the claims during the OHC coverage period. The carrier will then have 30 days to pay the Original Bill before another HIPD entitled re-bill is sent out. If payment is not received within 90 days of the Original Bill, the outstanding Account Receivable will be forwarded to a contractor who will follow-up on the outstanding Account Receivables, verifying the status and accuracy of the HIPD.

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Confidentiality of Information

The Federal Social Security Act, Section 1902 (a)(7); California's Welfare & Institutions Code, Section 10850; Title 22, California Code of Regulations, Section 51009, the Health Insurance Portability and Accountably Act (HIPPA); as well as, other federal or state statues and regulations provide that medical and other information received concerning public assistance beneficiaries is confidential.

However, the exchange of information is permitted between the state and health insurance carriers, including other government agencies, to determine liability to the Medi-Cal program. This information may be used only for the purposes of determining eligibility, the amount of payment due to the Medi-Cal program, and identify any health insurance held by Medi-Cal beneficiaries or health insurance a Medi-Cal recipient is entitled to.

If you have questions regarding this ACWDL, please contact Ms. Phyllis Burns at (916) 327-0967.

Sincerely,

ORIGINAL SIGNED BY

Richard Brantingham
Acting Chief
Medi-Cal Eligibility Branch