STATE OF CALIFORNIA—HEALTH AND WELFARE AGENCY

EDMUND G. BROWN JR., Governor

DEPARTMENT OF HEALTH SERVICES
714/744 P STREET
SACRAMENTO, CA 95814

April 28, 1981

To: All County Welfare Directors

Letter No. 81-20

MEDI-CAL CASE FILE RETENTION FOR DISABLED MEDICALLY NEEDY (MN) AND MEDICALLY INDIGENT (MI) ADULT BENEFICIARIES

In accord with the provisions of CAC, Title 22, Section 50111, this is to advise counties to immediately suspend the destruction of case files for MFBUs containing either Disabled MN or MI Adult beneficiaries. Federal Health Care Financing Administration (HCFA) auditors will use these records to validate California's outstanding "Disability Pending" claims, for federal sharing in Medi-Cal costs generated by MI Adults who were later found to have been federally disabled during part or all of their MI Adult period. (Medi-Cal costs for MI Adults are totally state-funded, unless eligibility for a federally supported Medi-Cal category can retroactively be established.) The claims are in excess of $200 million.

The Department of Health Services (DHS) developed the Disability Pending project to identify Medi-Cal eligibles whose aid category retroactively shifted from either MI Adult (aid codes 84/85) or Disability Pending (aid code 88/89) to an aid category that indicated a federally approved disabled status. As noted above, federal cost sharing is available for the Medi-Cal costs generated during the retroactive-disabled period of these eligibles. However, HCFA must first satisfy itself that the system is accurate in identifying those persons who are retroactively federal eligibles, and accurate in identifying eligible medical costs. As a part of its initial review of the system, HCFA attempted to locate paper documentation in county case files to validate the correctness of the eligibiiity data used in the Disability Pending project. HCFA reported difficulty in locating sufficient documentation to substantiate the State's claim. A new sample of cases is being drawn and a second review will be done. The second review will also include a check of county case folders, to compare eligibility shown in the folders against eligibility shown by the system. Consequently, DHS is notifying all counties through this letter to retain these folders, in order to preserve as much of this documentation as possible. In addition, counties which store discontinued cases' folders in archives for a time, before they are destroyed, must be able to retrieve those cases from archives using either case name or case number.

Rather than separating the files into two sets, those which are to be retained and those which can be destroyed, counties may choose to suspend the destruction of all case files if they find the sorting of case files is not cost beneficial or is physically impossible.

Based on contacts with various counties, DHS estimates that the special case folder retention will have minimal impact on the administrative costs for all counties. Any county which feels that the special record retention will produce a need for an additional cost allocation in Fiscal Year 1981/82, should contact the County Administrative Expense Unit at (916) 322-3390.

We expect the special retention requirement to be in effect between six and twelve months. Counties will be notified when the federal audit is finished, and the special retention is no longer needed. Counties will also be notified as far in advance as possible as to which of the retained case folders will be needed by federal auditors for their review.

If you have any questions regarding this letter, please contact Al Cooper at (916) 445-1797.

Sincerely,

Original signed by

Barbara V. Carr, Acting Chief
Medi-Cal Eligibility Branch

cc: Medi-Cal Liaisons
Medi-Cal Program Consultants

Expiration Date: April 30, 1982