STATE OF CALIFORNIA—HEALTH AND WELFARE AGENCY

EDMUND G. BROWN JR., Governor

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

December 6, 1982

All County Welfare Directors

Letter No. 82-68

HOSPITAL SERVICES FOR MEDI-CAL BENEFICIARIES

This is to notify you that the attached stuffer is being included with the December month of eligibility Medi-Cal cards.

Negotiations between the Medi-Cal program and acute care hospitals for the provision of acute inpatient hospital services to Medi-Cal beneficiaries pursuant to Chapter 328 of the Statutes of 1982 have been initiated by the Governor's Office Special Hospital Negotiator (GOSHN) in selected areas of the state. The aim of this process is to assure beneficiary access to quality care and at the same time control the cost of acute inpatient care to the Medi-Cal program.

When all hospitals in a selected area have had the opportunity to negotiate, and sufficient contracts have been approved to provide necessary inpatient services to Medi-Cal beneficiaries, that area will be closed. After that time, only contracting hospitals within the area will be authorized to provide inpatient acute hospital services to beneficiaries. The exceptions are:

1. Emergency services may be provided by noncontract hospitals until the patient is stabilized and medically able to be trasferred to a contracting facility.

2. Medicare beneficiaries with Medi-Cal coverage may remain in noncontract hospitals until their Medicare inpatient benefits have been exhausted.

When a contract area has been closed, county welfare directors and providers will be notified of all participating hospitals in that area. At that time, you will also be provided with additional information such as areas covered by hospital contracts and emergency admittance criteria.

We request that you notify all new Medi-Cal eligibles, as a part of their interview process, of the general effects of hospital contracting on them. You should refer them to their physicians for more specific information, after the program has been implemented.

Medi-Cal providers will have the primary responsibility for advising their Medi-Cal patients of how these changes affect them and for admitting their patients to hospitals that provide the scope of services needed. Because providers will be the basic source of information for beneficiaries, we anticipate only slight additional workload for county welfare departments. If you have any questions, please contact your Medi-Cal Program Consultant.

Sincerely,

Original signed by

Madalyn M. Martinez, Chief
Medi-Cal Eligibility Branch

Attachment

cc: Medi-Cal Liaisons
Medi-Cal Program Consultants