STATE OF CALIFORNIA—HEALTH AND WELFARE AGENCY

GEORGE DEUKMEJIAN, Governor

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

September 16, 1985

To: All County Welfare Directors
County Administrative Officers

Letter No. 85-65

COUNTY PROCESSING OF LYNCH V. RANK RETROACTIVE CLAIMS

Reference: ACWD Letter 85-60

This letter is to provide detailed information on county processing of claims for retroactive reimbursement of medical expenses submitted by persons found eligible for Medi-Cal pursuant to the Lynch v. Rank court order. Information on the process to follow once eligibility for retroactive reimbursement has been determined was provided in ACWD Letter 85-60. This letter reiterates the information pertinent to processing the claims once they are submitted by the claimants, and provides the additional information necessary to review and verify claims prior to submitting them to the Department of Health Services (DHS) for payment.

Each claimant must receive a Notice of Action detailing months of eligibility/ineligibility for Pickle coverage, together with a Response Form (DHS 7053), a Claim for Reimbursement (DHS 7039) or both forms. This letter provides instructions on processing the claim forms in each situation.

A. Processing Claims Containing Only Response Form (DHS 7053)

Review the Response Form to ensure that the claimant checked one of the two declaration statements and signed the form. If the form is not signed and/or a statement is not checked, contact the claimant and attempt to have the form completed. If the claimant cannot be reached, or will not complete the form, note this fact on the form. However, do not delay processing of the claim.

The county must establish the correct payee so the State may provide reimbursement to the correct person. If the claimant has signed the form, the claimant will be the payee. When another person completes the application and signs the claim form, the county must identify the correct payee. Otherwise, the State will issue payment to the claimant.

If a claimant is deceased the county should: 1) indicate the name and address of the executor or administrator if the claimant has an estate; or 2) attach a copy of the signed Declaration of Right to Property to the Response Form if there is no executor or administrator. Otherwise the State will issue payment to the decedent.

B. Processing Claims Containing Only Claim for Reimbursement (DHS 7039)

The county must establish the proper payee, as described under A above.

The entire claim form should be reviewed to establish that, for each medical expense listed:

1. The patient is the claimant.

2. The medical expense was incurred in a month in which the claimant was Pickle eligible.

3. The medical expense was for a month in which the claimant had not received a Medi-Cal card.

Once it is established that the listed service is in a month for which the claimant is entitled to reimbursement, the medical expense must be verified. Acceptable verification includes:

1. Copies of receipts or bills from the provider, showing the beneficiary name, the nature of the treatment, service, or item provided, the date of treatment or service; or

2. Canceled checks reflecting payment to the provider, and a statement from the claimant itemizing the medical care received and the date(s) of service; or

3. A signed statement from the provider, indicating the date(s) of service, the nature of the care received, the total amount of the bill, and the amount, if any, paid by a third party.

The county is required by the court order to contact the claimant and provide assistance in obtaining additional verification if the proof of payment submitted by the claimant is not sufficient. (See ACWD Letter 85-60, pages 2 and 3.)

The county should attach a copy of the verification for each item to the claim form to be sent to DHS. Verification of payment for these medical expenses must also be retained in the case file together with a copy of the claim. This documentation is required in case of a future audit.

If it appears that the claimant has Medicare or other third party coverage, but there is no indication of an "Amount Paid by Other Source" for any of the itemized expenses (other than prescription drugs) the county should contact the claimant. If the claimant states there was no third party payment, this fact should be noted on the claim form. Since the form is signed under penalty of perjury, the claimant's reaffirmation is sufficient proof that there was no mistake made.

All evidence concerning collection agency demands for payment of unpaid bills should be attached to the claim form.

If any item is disallowed for any reason, the county must code the reason for disallowance in the "State Use Only" column of the claim form. The following denial codes are to be used:

| Code | Reason for Denial |
|---|---|
| a. | No reimburseable medical expenses. |
| b. | Lack of necessary verification concerning types or dates of service, drugs, etc. provided to patient. |
| c. | Claim form untimely. |
| d. | Insufficient proof of amount paid. |
| e. | Failure to provide sufficient information (other than (b), (c) or (d)). |
| f. | Service for patient other than claimant. |
| g. | Claimant not eligible during month of service. |
| h. | Service in month in which claimant received a Medi-Cal card. |
| i. | Service not a benefit of the Medi-Cal program. |

C. Processing Claims Containing Both a Response Form (DHS 7053) and a Claim for Reimbursement (DHS 7039).

Claims containing both the Response Form and the Claim for Reimbursement are to be processed together. They are not to be separated and processed individually. In all other respects, these claims will be processed as described under A. and B.

Once the claims are processed, they should be sent to DHS on a flow basis, but no less frequently than once a week. All claims must be sent to DHS, even if there is no reimburseable amount. Claims should be submitted to:

Department of Health Services
Lynch v. Rank Claims
714 P Street, Room 1692
Sacramento, CA 95814

(Note: This is a new addressee.)

Any questions concerning Lynch v. Rank or the retroactive eligibility process should be directed to Kristi Banion (916) 324-4961 (ATSS) 454-4961. Questions concerning processing of Lynch v. Rank claims for reimbursement should be directed to Florence Beller (916) 324-4963 (ATSS) 454-4963.

Sincerely,

Original signed by

Doris Z. Soderberg, Chief
Medi-Cal Eligibility Branch

cc: Medi-Cal Liaisons
Medi-Cal Program Consultants

Attachment

Expiration Date: December 30, 1986