

## DEPARTMENT OF HEALTH SERVICES

714/744 P STREET  
SACRAMENTO, CA 95814

October 10, 1986

TO: All County Welfare Directors  
All County Administrative Officers

Letter No.: 86-54

SUBJECT: IMPLEMENTATION OF COBRA PROVISIONS WHICH RESTORE AND  
CONTINUE MEDI-CAL ELIGIBILITY FOR CERTAIN DISABLED  
WIDOW(ER)S

The Department of Health Services (DHS) recently received instructions from the Health Care Financing Administration (HCFA) concerning preservation of Medi-Cal status for certain disabled widow(er)s who lost SSI benefits because of 1983 changes which increased their Title II Widow(er)s Benefits (due to elimination of a reduction factor). These instructions implement the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA).

COBRA establishes criteria to be used in restoring and continuing Medi-Cal eligibility for disabled widow(er)s if the Title II increases of 1983 resulted in a loss of their eligibility for SSI benefits and consequently loss of their categorical Medi-Cal eligibility. In these cases the increase in their Title II benefits was enough to raise their incomes above SSI levels, thus causing the loss of their SSI and their categorically needy zero Share of Cost (SOC) Medi-Cal cards.

COBRA amends the Social Security Act, restoring categorically needy Medi-Cal eligibility for those individuals who:

- 1) would be eligible for SSI had there not been the elimination of the reduction factor and subsequent cost of living adjustments (COLAs),
- 2) apply within the prescribed period, July 1, 1986 through July 1, 1987. (Applications filed after July 1, 1987 will not be eligible for consideration under the COBRA provision) and,
- 3) meet the criteria noted on the attached Notice of Action (NOA). Note: Eligibility under this COBRA provision cannot be established prior to July 1, 1986.

Computer tapes were sent to DHS from SSA which identified potential COBRA eligibles. We have provided you with a print-out of that tape for your use in identifying these individuals in your county and those who may have moved into or out of your county.

All County Welfare Directors  
All County Administrative Officers  
Page 2

These tapes, and information available through MEDS, were used by DHS to prepare the attached NOA which was sent to all COBRA eligible and potentially eligible individuals on the list.

The following counties have been identified from the SSA tape as having residents who may be potential COBRA eligibles:

Alameda, Butte, Contra Costa, Los Angeles, Napa, Orange,  
Plumas, Riverside, Sacramento, San Diego, San Francisco,  
Santa Clara Shasta, Solano, Stanislaus, Tulare, Ventura.

Following is a brief summary of each notice that was, or will be, sent to all eligible or potentially eligible COBRA individuals identified on the SSA tape.

Attachment 1 was sent to all individuals not currently on Medi-Cal and/or on Medi-Cal with a SOC. This group has been determined to be potentially eligible under the COBRA provisions and, after completing and returning Attachment 2, may receive zero SOC Medi-Cal cards for the months of July 1986 through December 1986. These cards will be generated from DHS, in an effort to save county administrative costs, based on the eligibility information available. DHS will include a stuffer and NOA with the December cards informing the beneficiaries that if they wish continued coverage under the COBRA provision they should apply with their local county welfare department (CWD) before 1/1/87.

Attachment 2 was sent to all individuals who received Attachment 1. This attachment reiterates the eligibility criteria and requires the individual to provide information regarding their age when they began receiving Title II benefits, their current address and telephone number and, their indication if they wish to apply for eligibility under the COBRA provisions. This form is to be signed by the individual and returned to DHS. If you should receive this form in the CWD, please forward to DHS up until December when responsibility for determining eligibility will be transferred to the CWD.

Attachment 3 will be sent to individuals who complete and return Attachment 2, indicating they wish to apply for COBRA eligibility and are found eligible by DHS. This attachment will be sent with the retroactive cards. It explains which months the retroactive Medi-Cal cards cover. Also a letter to the provider (Attachment 4) is sent to individuals who return Attachment 2.

Attachment 4 will be sent along with Attachment 3. This letter to the providers explains the retroactive billing process for

All County Welfare Directors  
All County Administrative Officers  
Page 3

COBRA beneficiaries. It details the procedures they must use to ensure prompt payment to them, and reimbursement of any SOC already paid by the beneficiary.

Attachment 4 must be given to the provider so that he/she may bill the fiscal intermediary. In addition, individuals who were already on Medi-Cal with a SOC are instructed to give the letter to the provider so that the provider can bill Medi-Cal and reimburse the beneficiary for any SOC already paid.

You will be receiving detailed instructions on the processing of COBRA eligibles shortly. We are requesting that you compute the eligibility determinations of COBRA eligibles at the same time you are processing PICKLE redetermination. SSI criteria must be used in establishing their eligibility and a reduction factor for a disregard amount and subsequent COLAs (1984-1986) must be deducted from their current Title II amount similar to Pickle determinations. We have attempted to minimize CWD administrative costs by establishing initial eligibility for these individuals within DHS.

Please note that there is only a small group of individuals eligible under this COBRA provision (less than 100 statewide, 5,000 nationwide). In addition, almost half of the individuals identified on the SSA tape continue to receive SSI and/or categorically linked zero SOC Medi-Cal.

Thank you for your assistance. Any questions should be directed to Michele White who can be reached at (916) 445-1912.

Sincerely,

Original signed by

Frank S. Martucci, Chief  
Medi-Cal Eligibility Branch

Attachments

cc: Medi-Cal Liaisons  
Medi-Cal Program Consultants

Expiration date: July 17, 1987

Attachment identifying potentially eligible COBRA individuals will be sent under separate cover to Medi-Cal Liaisons.

Si Ud. necesita un interprete, favor de comunicarse  
con su trabajador del condado.

Beneficiary ID Number:

Last Month SSI/SSP Received:

NOTICE OF POSSIBLE MEDI-CAL ELIGIBILITY  
WITHOUT A SHARE OF COST

23-0-4-570501111  
FIRST MI LAST4  
FIRST4 MI LAST  
XXXXXXXXXX  
XXXXXXXXXX  
2165 CORONADO AVE  
RENO NV 84559

Our records indicate that you may be eligible for Medi-Cal under the 1985 Consolidated Omnibus Budget Reconciliation Act (COBRA) as it relates to your Social Security benefits. If you are now receiving Medi-Cal without a share of cost, you do not have to do anything about this notice. However, if you are not now receiving Medi-Cal or if you are required to meet a share of cost before you receive your Medi-Cal card, this notice is important. PLEASE READ IT CAREFULLY!

If you are one of the persons covered by the COBRA Act, you will be eligible for Medi-Cal without a share of cost. To be eligible, all of the following conditions must apply to you:

1. You were under age 60 when you first began receiving Social Security benefits (green checks); and
2. You are now receiving Social Security benefits (green checks) and have been continuously since December 1983; and
3. You received Social Security Disabled Widows or Widowers benefits in January 1984; and
4. At any time you received both SSI/SSP (gold checks) and Social Security benefits (green checks) in the same month; and
5. You no longer receive SSI/SSP (gold checks) as a result of the 1983 increases in your widows or widowers benefits.

To find out if you are entitled to receive Medi-Cal without a share of cost, complete and return the attached form in the envelope provided. You will receive a response as to your eligibility status within 30 days.

If you are eligible for Medi-Cal under the COBRA Act, you may receive up to 3 months retroactive Medi-Cal (although retroactive benefits will be effective no earlier than July 1, 1986).

Therefore, it is to your advantage to return the attached form as soon as possible, although applications may be filed until June 30, 1987.

Applications for Medi-Cal without a share of cost under COBRA filed after June 30, 1987 will not be eligible for consideration under the COBRA Act.

If you need assistance, or have questions, you should check your Social Security records, call your local Social Security Office, or contact the Department of Health Services, Medi-Cal Eligibility Branch, attention Michele White at 916-445-1912.

Date: \_\_\_\_\_

Beneficiary: \_\_\_\_\_

Please answer the following question, check the appropriate box below, sign and date this form and return it in the attached pre-addressed envelope. Failure to return this form may result in your ineligibility to apply for COBRA benefits.

1. When did you begin receiving Social Security benefits (green checks): \_\_\_\_\_

If you have have difficulty answering this question, please call your local Social Security Administration Office.

The Department of Health has verified that you meet the following criteria:

- 1. You were under age 60 when you first began receiving Social Security benefits (green checks).
- 2. You have been receiving Social Security benefits (green checks) continuously since December 1983.
- 3. You received Social Security Disabled Widows or Widowers benefits in January 1984.
- 4. You received both SSI/SSP (gold checks) and Social Security benefits (green checks) in the same month.
- 5. You stopped receiving your SSI/SSP (gold checks) as a result of the 1983 increases in your Widow or Widowers benefits.

Please complete and return this form as soon as possible. Although you may apply through June 30, 1987, it is recommended that you apply as soon as possible to receive the full benefits of the COBRA provision.

To be eligible for Medi-Cal benefits under the COBRA Act you must check one box and sign below:

I am interested in applying for Medi-Cal benefits under the COBRA Act. I declare under penalty of perjury under the laws of the State of California, that the foregoing is true and correct.

I am not interested in applying for Medi-Cal benefits under the COBRA Act. I declare under penalty of perjury under the laws of the State of California, that the foregoing is true and correct.

\_\_\_\_\_  
Your Signature

\_\_\_\_\_  
Date

Please print the following information:

your name: \_\_\_\_\_

your current address: \_\_\_\_\_

your mailing address if different from above: \_\_\_\_\_

your telephone number: \_\_\_\_\_

Attachment 3

Date: \_\_\_\_\_  
Beneficiary Name: \_\_\_\_\_

Dear \_\_\_\_\_ :

Attached is your prior-month Medi-Cal card for the month(s) of \_\_\_\_\_ . This card(s) was issued in accordance with the 1985 Consolidated Omnibus Budget Reconciliation Act (COBRA).

Also attached is a letter to your medical provider, granting permission to bill the Medi-Cal program more than two (2) months after the month of service. Please give your provider your Medi-Cal identification label for the month of service along with a copy of that letter, so that they can be attached to the completed bill.

The Medi-Cal program cannot pay your provider's bill unless your Medi-Cal label and a copy of that letter are submitted with the bill for the month of service.

If you were already on Medi-Cal and paid a share of cost to your provider, give the attached letter to your provider with your new Medi-Cal identification label for the month of service so that your provider can bill the Medi-Cal program. Your provider will reimburse you for any share of cost amount you paid to him/her after your provider receives payment from the Medi-Cal program and if the service is a Medi-Cal covered service.

If you have any questions, please call the Department of Health Services, Medi-Cal Eligibility Branch, attention Michele White at (916) 445-1912.

Sincerely,

Frank S. Martucci, Chief  
Medi-Cal Eligibility Branch

Attachment

Attachment 4

Dear Medical Provider:

Attached is a Medi-Cal identification label for \_\_\_\_\_ for the month(s) of \_\_\_\_\_. This label was issued in accordance with the 1985 Consolidated Omnibus Budget Reconciliation Act (COBRA). This law modifies the eligibility of certain Medi-Cal beneficiaries who had not previously been eligible for Medi-Cal or had previously been assigned a Share of Cost (SOC) obligation. Therefore, any SOC payments made by these beneficiaries were inappropriate and must be refunded. If you have not billed, or only partially billed, Medi-Cal for services provided, you must now submit new claims to the appropriate Medi-Cal intermediary for payment processing.

Upon presentation of the proof of eligibility (POE), you must submit a Medi-Cal claim for reimbursement subject to the rules and regulations of the Medi-Cal program. Payment received from the State in accordance with the Medi-Cal fee structure shall constitute payment in full. The provider shall return any and all payments made by the beneficiary for Medi-Cal covered services upon receipt of Medi-Cal payment. (Welfare & Institutions Code 14019.3)

Please note that the fiscal intermediary will not honor a claim submitted more than two (2) months after the month of service unless a copy of this letter is attached to the claim.

To ensure that these claims will be accepted for processing, code the billing limit box on the claim form with a billing limit exception code "1" and indicate the date the POE was received in the remarks section of the claim. In addition, a copy of this letter and the patient's Medi-Cal label must accompany the claim. You have 60 days to bill after the date POE was received. (Medi-Cal Provider Manual, Section 2).

If the patient had paid you for part of the charges as a result of the SOC obligation but, the remainder of the charge was billed to Medi-Cal, this money must be returned to the patient once payment is received from Medi-Cal. Since some payment has previously been received from Medi-Cal, it is not possible to bill using the procedure described above. In order to receive an adjustment on the previously paid claim, you must submit a Claims Inquiry Form (CIF) or a First Level appeal. You must indicate that the original SOC deduction was incorrect and request that the claim be reprocessed using the new eligibility information. You must submit a copy of this letter with your corrected claim.

Page 2

Should you have any questions regarding this matter, please contact the Department of Health Services, Provider Services Section at (916) 323-1945.

Sincerely,

Original signed by

Frank S. Martucci, Chief  
Medi-Cal Eligibility Branch

cc: Provider Services Section

Attach.

---

Eligibility Worker/Date