STATE OF CALIFORNIA—HEALTH AND WELFARE AGENCY

GEORGE DEUKMEJIAN, Governor

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

May 12, 1988

TO: All County Welfare Directors
All County Administrative Officers

Letter No: 88-26

SUBJECT: ISSUANCE OF SHARE OF COST FORMS (MC 177S) DIRECTLY TO PROVIDERS

The purpose of this letter is to respond to county inquiries regarding provider requests for Record of Health Care Costs, form MC 177S, for Medi-Cal beneficiaries with a share of cost (SOC).

Specifically, many counties have received requests from doctors, hospitals and billing agents for SOC forms (MC 177S) for both current and prior months where the beneficiary is, or was for the month requested, part of a county Medi-Cal case. Concern has been expressed regarding the circumstances under which a county is to issue a MC 177S pursuant to such a request.

While there is no regulatory or statutory requirement that counties issue a MC 177S to a hospital or other provider at their request, it has been the Department's policy to permit the county welfare department to do so under certain controlled circumstances. The purpose of this policy has been to increase beneficiary access to health care by reducing the instances where providers are refused payment for health care provided. This policy in no way overrides the beneficiaries right not to utilize the Medi-Cal program or choose which medical expenses he/she has incurred to meet the SOC.

Following are several important points to remember regarding beneficiary rights with respect to share of cost Medi-Cal.

Where the beneficiary has died or is comatose or otherwise unable to act on his/her own behalf, the executor, conservator or other individual acting on behalf of the beneficiary has the same rights stated above. It should be noted that while the individual acting on behalf of the beneficiary may sign the MC 177S, firms hired by the county hospitals may not do so where those firms also represent the hospital as a billing agent. This is considered a conflict of interest and cannot be allowed.

Bearing in mind the above beneficiary rights, the county may issue the MC 177S to the provider under the following circumstances and conditions:

A. The beneficiary is deceased and there is no executor, next of kin or other person acting on the beneficiary's behalf.

B. The beneficiary is comatose or incompetent and there is no relative or conservator acting on the beneficiary's behalf. Cases of this type should only require MC 177S issuance to providers for a short period until a relative or other person can be identified or appointed (i.e. conservator, public guardian, etc.).

C. The beneficiary has moved and left no forwarding address. Where the county can determine that the beneficiary has moved to another county and has an active Medi-Cal case in that county, no MC 177S may be issued to the provider as no loss of contact has occurred. In this circumstance, the beneficiary is a current Medi-Cal recipient who may, if desired, comply with SOC requirements for the month of service at issue.

Where the county opts to issue a MC 177S in accordance with A, B, or C above, the county must complete the top portion of the SOC form including Medi-Cal identification numbers, share of cost amount, names, etc. The provider is to complete the provider portions and return the SOC form to the county. The county is then to review the form to insure correct completion. The eligibility worker must then sign for the beneficiary, note an explanation on the form and forward the SOC form to the Department for processing.

Under no circumstances are completely blank MC 177S forms to be given to a provider or representative, nor may a provider or any person employed by the provider sign the MC 177S. All forms are to be requested on a case by case basis with worker review of the circumstances in each case.

SOC forms may be issued for retroactive months for which the county has the responsibility for the Medi-Cal case subject to the time limitations for card issuance set forth in Title 22, California Code of Regulations (CCR), Section 50746. Requests from providers for SOC forms for cases which were the responsibility of another county must be referred to that county for review.

If you have any further questions on this issue, please call Toni Bailey at (916) 324-4967.

Sincerely,

Original signed by

Frank S. Martucci, Chief
Medi-Cal Eligibility Branch

cc: Medi-Cal Policy Liaisons
Medi-Cal Policy Consultants

Expiration Date: May 1, 1989