STATE OF CALIFORNIA—HEALTH AND WELFARE AGENCY

GEORGE DEUKMEJIAN, *Governor*

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

(916) 739-3200

March 9, 1989
Letter: 89- 22

To ALL COUNTY WELFARE DIRECTORS
ALL COUNTY ADMINISTRATIVE OFFICERS

SUBJECT: OTHER HEALTH COVERAGE

REFERENCE: ALL COUNTY WELFARE DIRECTORS LETTERS 87-44 AND 88-92

The Department of Health Services (DHS) will be conducting a cost avoidance data match with the Aetna Life and Casualty Company to identify Medi-Cal beneficiaries currently insured by this company. As a result of the data match, DHS will update the Medi-Cal Eligibility Data System (MEDS) with a cost avoidance other health coverage (OHC) code "E" for beneficiaries identified as having full coverage. We expect to begin coding Medi-Cal cards for the March 1989 month of eligibility.

Affected beneficiaries will be sent a letter explaining cost avoidance and informing them that their providers must bill the other health coverage carrier prior to billing Medi-Cal. Beneficiaries are instructed to contact their county welfare department in the event they no longer have the coverage now identified on their Medi-Cal card. A copy of the beneficiary letter is enclosed for your information.

As the match is completed, counties will receive the OHC Indicator Change Report (RCV 139-BR002) listing the beneficiaries coded as a result of the match. Counties are not required to update their records to match MEDS. However, because other health coverage information is printed on share of cost forms (MC 177), counties should at least update their MC 177 share of cost records to alert providers to a beneficiary's cost avoidance coverage prior to their rendering services.

If the beneficiary informs the county that he/she no longer has the cost avoidance coverage, the override procedures described in ACWDL 87-44 must be used to remove the cost avoidance code from MEDS.

If the beneficiary's coverage is now with an insurance carrier other than Aetna, refer to the procedures in ACWDL 88-92 for the appropriate coding of his/her Medi-Cal card.

If you have any questions regarding MEDS input, contact your MEDS liaison. All other questions should be directed to Shar Schroepfer or Michael Jimenez of the Health Insurance Unit at (916) 739-3275 or 739-3262.

Sincerely,

Original signed by

Frank S. Martucci, Chief
Medi-Cal Eligibility Branch

Enclosure

cc: Medi-Cal Liaisons
Medi-Cal Program Consultants

Expiration Date: February 28, 1990

STATE OF CALIFORNIA - HEALTH AND WELFARE AGENCY
DEPARTMENT OF HEALTH SERVICES
MEDICAL ASSISTANCE

## IMPORTANT MEDI-CAL NOTICE

MEDI-CAL IS EXPANDING ITS PROGRAM FOR USING PRIVATE HEALTH INSURANCE. THIS PROGRAM IS CALLED COST AVOIDANCE AND IT MEANS THAT IF YOU HAVE PRIVATE HEALTH INSURANCE, MEDI-CAL WILL NOT PAY FOR MEDICAL SERVICES COVERED BY YOUR INSURANCE. HOWEVER, YOU WILL STILL BE ABLE TO USE YOUR MEDI-CAL CARD FOR MEDI-CAL COVERED SERVICES THAT YOUR PRIVATE HEALTH INSURANCE DOES NOT COVER.

OUR RECORDS INDICATE THAT YOU HAVE PRIVATE HEALTH INSURANCE WITH AETNA. BEGINNING WITH YOUR MARCH 1989 MEDI-CAL CARD, AN "E" CODE WILL BE PLACED IN THE OTHER COVERAGE FIELD ON YOUR MEDI-CAL CARD TO INDICATE THIS COVERAGE.

EFFECTIVE MARCH 1, 1989, YOUR PROVIDERS OF SERVICE WILL HAVE TO BILL YOUR PRIVATE HEALTH INSURANCE FIRST. IF YOUR INSURANCE COMPANY DENIES PAYMENT, YOUR PROVIDER MAY THEN BILL MEDI-CAL.

IF YOU DO NOT HAVE PRIVATE HEALTH INSURANCE WITH THE INSURANCE CARRIER THAT WE HAVE CODED ON YOUR CARD, CONTACT YOUR COUNTY WELFARE DEPARTMENT.

## NOTIFICACION IMPORTANTE SOBRE MEDI-CAL

MEDI-CAL ESTA EXTENDIENDO SU PROGRAMA PARA USAR EL SEGURO PRIVADO DE SALUD. ESTE PROGRAMA SE LLAMA EVASION DEL COSTO (COST AVOIDANCE) Y SIGNIFICA QUE SI UD. TIENE SEGURO PRIVADO DE SALUD, MEDI-CAL NO PAGARA POR LOS SERVICIOS MEDICOS CUBIERTOS POR SU SEGURO. SIN EMBARGO, UD. PODRA USAR SU TARJETA DE MEDI-CAL POR LOS SERVICIOS CUBIERTOS POR MEDI-CAL QUE SU SEGURO PRIVADO DE SALUD NO CUBRE.

NUESTROS REGISTROS MUESTRAN QUE UD. TIENE SEGURO PRIVADO DE SALUD CON AETNA. COMENZANDO CON SU TARJETA DE MEDI-CAL DE MARZO DE 1989, UNA CLAVE "E" SERA PUESTA EN LA PARTE REFERENTE A OTRA COBERTURA DE SALUD EN SU TARJETA DE MEDI-CAL PARA INDICAR ESTA COBERTURA.

A PARTIR DEL 1 DE MARZO DE 1989, SUS PROVEEDORES DE SERVICIO TENDRAN QUE COBRAR PRIMERO A SU SEGURO PRIVADO DE SALUD. SI SU COMPANIA DE SEGURO LE NIEGA EL PAGO, SU PROVEEDOR PUEDE ENTONCES COBRARLE A MEDI-CAL.

SI UD. NO TIENE SEGURO PRIVADO DE SALUD CON LA COMPANIA INDICADA POR LA CLAVE EN SU TARJETA, PONGASE EN CONTACTO CON SU DEPARTAMENTO DE BIENESTAR DEL CONDADO.