STATE OF CALIFORNIA—HEALTH AND WELFARE AGENCY

GEORGE DEUKMEJIAN, Governor

DEPARTMENT OF HEALTH SERVICES
714/744 P STREET
P.O. BOX 942732
SACRAMENTO, CA 94234-7320

August 7, 1989
Letter No.: 89-63

TO: All County Welfare Directors
All County Administrative Officers

SUBJECT: ADMINISTRATIVE ERROR LETTER PROCESS

Our recent reevaluation of the procedures governing the Administrative Error Letter (AEL) process has revealed deficiencies that require immediate correction. This letter addresses that concern.

Title 22, California Code of Regulations (CCR), Section 50746, states that a Medi-Cal card may not be issued more than one year after the date of service unless one of several conditions exist. Among those conditions is the existence of an administrative error. Currently, no definition of administrative error exists in regulations. Also, MEM Procedures Section 14E provides technical instructions regarding issuance of Medi-Cal cards more than one year after the date of service, but does not discuss what constitutes an administrative error.

For this reason, we have 1) established a definition of an administrative error; 2) expanded and clarified the procedures to be followed when issuing a card beyond one year; 3) expanded the AEL (now called a "Medi-Cal Card Issuance Authorization Letter") to include additional elements which are critical for proper case documentation and claims processing, and 4) extended the AEL's scope to encompass other reasons for card issuance beyond one year.

DEFINITION

An administrative error is defined as an erroneous action, or a required action not taken, which results in the failure of the County or the State to issue a Medi-Cal card within one year of the date of service when the eligibility determination has been conducted in accordance with State regulations, policy and procedures.

Some examples of acceptable administrative errors include the following:

o Failure of the county welfare department to approve a Medi-Cal application by a potentially eligible individual due to legitimate errors made in the course of determining eligibility (e.g., an applicant was denied but should have been approved, and didn't file an appeal; or an applicant's file was misplaced and eligibility was never determined).

o Failure to issue a Medi-Cal card within one year from the date of service because the county system or MEDS shows an incorrect beneficiary address for the month of request.

o Failure to issue a Medi-Cal card within one year from the date of services because either the county never sent the original MC177 to the State, or the original MC177 is in the case file with an error slip from the State because it was not corrected and returned to the State for processing of a Medi-Cal card.

o The county issues a card within one year, but it is coded incorrectly and cannot be used to bill for the services rendered (e.g., the card/label shows a 53 aid code and the applicant received and is eligible for acute care services in that month.)

It is not possible to list all examples of an administrative error. If the county is unsure whether a particular situation meets the definition of an administrative error, the Eligibility Branch should be contacted for clarification.

ADMINISTRATIVE ERROR PROCEDURES

Whenever administrative errors occur, they must be documented and described fully in the case file as soon as possible after the error has occurred. Please note that when deciding if an administrative error exists in any given situation, the county must ensure that the applicant is not disadvantaged by an error that the county has made. By the same token, counties must take precautions to ensure that case processing delays which are the result of routine errors in filing, photocopying, etc., do not contribute excessively to the incidence of administrative errors. We are currently working with our Fiscal Intermediary Management Division to establish a means for monitoring administrative error claims to ensure the counties' continued diligence in this regard.

It is usually a request from a beneficiary for a Medi-Cal card more than one year after the date of service that creates the need for an administrative error determination. However, there are situations, as limited by Procedures Section 14D, in which a request from an acute care hospital or primary care clinic can generate an administrative error determination. With the recent statewide implementation of the Automated Eligibility Verification System (AEVS), participating providers can easily obtain eligibility information on any Medi-Cal patient up to three months after the date of service. Although the system cannot provide such information beyond three months, it should help providers obtain eligibility information timely and thereby avoid having to request an administrative error determination at a later date.

Should the county find that an administrative error has occurred, a "Medi-Cal Card Issuance Authorization Letter" (no longer called Administrative Error Letter) must be completed with the "administrative error" box checked, a description of the administrative error given, and the appropriate case information provided (Medi-Cal ID number, application date, EW name and phone, etc.). This letter (hereinafter called "Authorization Letter") must bear the original signature of a DHS-authorized county welfare department

official. Photocopies will not be accepted.

As is currently done with the AEL, the Authorization Letter must be issued to the recipient along with the labels. The provider must submit this original Authorization Letter along with the label(s) when making a claim for reimbursement. If the recipient needs labels for more than one provider, the county shall issue a sufficient number of original Authorization Letters.

If the county finds that an administrative error does not exist in a particular situation, the county may contact the Eligibility Branch for assistance in evaluating whether a card can be issued pursuant to Title 22, CCR, Section 50746(a)(4), which provides for a card to be issued by DHS request. The procedure to seek DHS authorization for issuance in these cases is as follows:

o The request must be in writing on county letterhead.

o It must list chronologically the sequence of events in the processing of the case and the circumstances surrounding the error.

o It must carry the original signature of a County Welfare Department Director or his/her DHS-approved designee (photocopied signatures will not be accepted).

In the event that DHS authorizes issuance of a card, an Authorization Letter will be sent to the county. The Letter will bear the original signature of an authorized DHS staff person and, as in the case of administrative error described above, must be given to the recipient along with the card. Claims for reimbursement shall be made in the same manner as indicated above for administrative errors.

REDESIGNED AUTHORIZATION LETTER

The Authorization Letter is basically an updated version of the AEL. A number of elements have been added which expand its scope and provide for more effective claims processing and record keeping.

o The date of application and the date the case is approved must be indicated on each Letter. The eligibility worker's name and phone number must be provided for documentation purposes.

o The scope of the Letter is expanded to permit its use to authorize card/label issuance over one year after the date of service for reasons other than administrative error as provided for in Title 22, CCR, Section 50746. The revised Letter can now be used to authorize issuance when required by a court order, State hearing or other administrative decision, or DHS request (as discussed earlier).

o A space has been designated for the county to describe the administrative error. Such description should be a narrative which fully explains the error

rather than one or two words ("procedural error" is not sufficient). Authorization Letters submitted without a satisfactory description of the administrative error will be returned to the county for proper completion.

o A note has been added to remind the beneficiary that, if he/she will be submitting labels to more than one provider, he/she should contact the county so that the necessary number of original letters can be provided with the labels. (Each provider must submit one of these Authorization Letters, with an original signature, along with each claim for reimbursement.)

o The Authorization Letter also contains a section at the bottom which instructs providers not to send over-one-year claims to the fiscal intermediary. Rather, they should be sent to the DHS address indicated on the Letter.

Counties shall begin using the new Authorization Letter effective September 1, 1989. Enclosed is a sample for reproduction purposes.

If you have any questions regarding the revised authorization letter or the administrative error procedures, please contact Tony Plescia at (916) 324-4954/ATSS 454-4954.

Sincerely,

Original signed by

Frank S. Martucci, Chief
Medi-Cal Eligibility Branch

Enclosure

cc: Medi-Cal Liaisons
Medi-Cal Program Consultants

Mike Lynskey
Fiscal Intermediary Management Division
714 P Street, Room 940
Sacramento, CA 95814

Expiration Date: July 1, 1990

Letter of Authorization

(Applicant's Name)
(Address)
(Medi-Cal ID #)
Date of Application: Date Case Approved:

Dear_____:

Regarding Medi-Cal Cards for _____
Month(s)
Worker: Phone Number:

Attached are your replacement Medi-Cal labels for the above month(s). They are issued in accordance with Title 22, California Code of Regulations (CCR) Section 50746, which permits county welfare departments to issue Medi-Cal cards to beneficiaries more than one year after the date of service for limited reasons.

Your card is being issued for the reason checked below:

___ A court order requires that a card be issued.
___ A State Hearing or other administrative hearing decision requires that a card be issued.
___ The Department of Health Services requests that a card be issued. [Signature or authorized DHS staff person_____]
___ An Administrative Error has occurred. (Description) _____

_____

Please give your doctor or other medical provider this letter, along with your Medi-Cal label(s) for the month(s) of service. The Medi-Cal program cannot pay your provider's bill unless a copy of this letter is submitted with the bill and your Medi-Cal label(s) for the month(s) of service.

If you are going to give a Medi-Cal label to more than one doctor or other provider, please contact us at _____. We will send you a copy of this letter for each doctor or other provider you give a label to.

If you have any questions, please call your worker.

Sincerely,

(Original Signature of Authorized County Administrative Staff)

Instruction to Provider

DO NOT SEND CLAIMS TO THE FISCAL INTERMEDIARY.

Submit this letter, along with the claim, to:

Department of Health Services
Fiscal Intermediary Management Division
Over-Year Claims
714 P Street, Room 940
P.O. Box 942732
Sacramento, CA 94234-7320

Attachment