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 20, 1990
Letter No.: 90-80

To: All County Welfare Directors
All County Administrative Officers

SUBJECT: HUNT VS KIZER QUESTIONS AND ANSWERS

REFERENCE: 89-87, 89-111, 90-11, 90-75

This letter is intended to explain the latest developments and to clarify the requirements for implementing the court orders issued in the Hunt vs. Kizer lawsuit. This letter contains a compilation of some of the most frequently asked county questions.

Question 1:

What does the term "original bill," mean as used in All County Welfare Directors Letter 89-87?

Answer 1:

An original bill is one that is not, in its entirety, a photocopy. A photocopy of a bill is acceptable so long as it has an original stamp, the initial or signature of the provider on it or if other original supporting documentation confirms that the bill is an accurate statement of the outstanding balance. The bottom-line is that there must be some objective evidence which shows that the bill remains unpaid and has not been tampered with.

An original bill can be supplemented with original documentation that provides all of the necessary items:

1. Provider name and address.

2. Medi-Cal provider identification number, taxpayer identification number, or provider license number.

3. A billing date within the last 90 days.

   NOTE: This is a change from the previous policy of 60 days.

4. The name of the person receiving the service.

5. The type of service.

6. The date of service.

7. The amount still owed to the provider.

A sworn statement may be used within the guidelines of Answer 5.

Question 2:

Are there any exceptions to the "billing/statement date within 60 days" rule?

Answer 2:

The billing or statement date must be within the last 90 days of the time that the bill is presented to the county worker. This is a change from the previously stated policy of 60 days. If the bill is not dated within the last 90 days, it may still be used if it meets the requirements set forth in Answer 1.

Question 3:

Under what circumstances must counties accept medical expenses that have been charged to credit cards?

Answer 3:

There are three situations where credit card charges for medical expenses can be used:

1. If there are no other charges on the credit card and the beneficiary can show that the charge for medical expenses has not been paid. In order to show that the charge has not been paid, the beneficiary must provide all charge account statements received since the date of the charge.

2. If the beneficiary can show that the charge for medical expenses and all of the charges made to the credit card since the date of the charge for medical expenses are unpaid.

In order to show that these charges remain unpaid, the beneficiary must provide all charge account statements received since the date of the charge for medical expenses.

3. If the medical expenses charged to the credit card are used to reduce the SOC for the month in which the medical expenses were incurred.

   Please note that the finance charges which the beneficiary may incur as a result of using a charge card to pay for his/her medical expenses <u>may</u> <u>not</u> be used to reduce the SOC.

<u>Question 4</u>:

Can medical expenses that have been turned over to a collection agency be used to meet a SOC?

<u>Answer 4</u>:

Yes, if the original collection agency bill contains all of the required documentation or if a combination of the collection agency bill(s) and other original billing statements supply the missing information. A sworn statement may be used within the guidelines of Answer 5.

<u>Question 5</u>:

Are there any alternatives if the beneficiary is unable to obtain the required documentation?

A beneficiary should be permitted to make a sworn statement attesting to the following:

1. Provider name and address.

2. Provider identification number (if, for instance, the beneficiary has telephoned the provider to get it).

3. The name of the person receiving the service.

4. The type of service (if the RVS or Procedure Code is known).

5. The date of service.

If the beneficiary is unable to obtain missing information, the eligibility worker should assist him or her in obtaining the information. Many otherwise missing items may be obtained by a telephone call to the provider.

Question 6:

When must county welfare departments (CWDs) issue a Notice of Action (NOA) to share of cost (SOC) beneficiaries using old medical expenses (Hunt vs. Kizer)?

Answer 6:

A NOA must be issued whenever the eligibility worker determines that amounts incurred for medical expenses cannot be used to reduce the SOC. If further documentation or information is required in order to allow use of the expenses, the beneficiary must provide it within 10 days of the date requested. If the information/documentation is not received within 10 days, CWDs must issue a NOA which states that the expenses cannot be used to reduce the SOC. At this time Department of Health Services is in the process of developing NOA language for these denials. Until that time, the authority for the denial is Hunt vs. Kizer and the MC 239 must state the specific reason(s) for denial, by denial code as defined in All County Welfare Letter 89-87.

Statistical Reports:

CWDs are also reminded that the monthly statistical reports must now be sent by the 20th of each month to Kristi McCall - Department of Health Services, 714 P Street, Room 1392, Sacramento, CA 94234-7320.

We are in the process of developing a permanent form for Hunt vs. Kizer statistical reporting. The form will ask that you provide the number of persons applying to use old medical expenses to reduce their SOC, the number approved for use and the number denied and the number of persons requesting a state hearing based upon a denial of old medical expenses.

As further developments in the case occur, we will keep you informed as quickly as possible. Questions concerning Hunt vs. Kizer should be directed to Kristi McCall at (916) 445-6855.

Thank you for your continued assistance.

Sincerely,

ORIGINAL SIGNED BY

Frank S. Martucci, Chief
Medi-Cal Eligibility Branch

cc: Medi-Cal Liaisons
Medi-Cal Program Consultants.