

## DEPARTMENT OF HEALTH SERVICES

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November 15, 1991

TO: All County Welfare Directors  
All County Administrative Officers  
All County Medi-Cal Program Specialists/Liaisons

Letter No.: 91-105

SUBJECT: OTHER HEALTH COVERAGE

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

The Department of Health Services (DHS) is conducting another file match with the California Public Employees Retirement System (PERS) to identify Medi-Cal beneficiaries currently insured with this program.

PERS contracts with several insurance carriers, all meeting the definition of full coverage; therefore, matched beneficiaries' Medi-Cal cards will be coded for cost avoidance. As a result of the data match, DHS will update the MEDS with the Other Health Coverage (OHC) cost avoidance codes of K, P, or V. These codes will be reflected on the beneficiaries' Medi-Cal cards. We expect to begin coding Medi-Cal cards for the October 1991 month of eligibility.

Affected beneficiaries will be sent a letter (enclosed) explaining cost avoidance, the data match and coding. The letter will also inform the beneficiary of one of the following requirements:

- o If your Medi-Cal card is coded with "V", your providers will have to bill your private health insurance before billing Medi-Cal. If your insurance denies payment, your provider may then bill Medi-Cal; or,
- o If your Medi-Cal card is coded with a "K" or "P", you are identified as having health coverage provided through a prepaid health plan or health maintenance organization. Beneficiaries with this coverage are required to go to their specific health plan to receive health care services. If your prepaid health plan/health maintenance organization does not provide the needed service, you must request from the health plan a "Denial Letter" or "Explanation of Benefits" clearly stating the service requested is not covered under the terms of your health plan policy. Present the Denial Letter or Explanation of Benefits to your Medi-Cal provider so he/she can attach the letter to a Medi-Cal claim for reimbursement.

If private health insurance coverage extends to a dependent(s) on Medi-Cal, beneficiaries are now instructed to complete a Health Insurance Questionnaire, which will be enclosed with the letter, listing all Medi-Cal dependents covered by the plan and to return the questionnaire to the Department of Health Services. Beneficiaries are also instructed to contact their county welfare department in the event they no longer have the coverage now identified on their Medi-Cal card.

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The list below will assist workers in using the correct cost avoidance PHP/HMO codes when a Medi-Cal applicant is identified as having OHC administered through PERS:

<u>Health Plan Administered by PERS</u>	<u>Cost Avoidance Code</u>
Kaiser North	K
Kaiser South	K
Bay Pacific Health Plan	P
Blue Shield	P
Bridgeway Plan for Health	P
CIGNA	P
Family Health Plan	P
Foundation Health Plan	P
HEALS Health Plan	P
Health Net	P
The Health Plan of America	P
Lifeguard	P
Lincoln National Health Plan	P
Maxicare	P
Pacific Care	P
PARTNERS Health Plan	P
PCA Health Plans of California	P
Peak Health Plan	P
St. Joseph's Omni Health Plan	P
Take Care	P
Travelers Health Network	P
ValuCare	P
CAHP Prudent Buyer Plan	V
California Correctional Peace Officers Association	V
California Professional Firefighters Association	V
Peace Officers Research Association of California	V
PERS-CARE	V

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 that is not administered through PERS, refer to the procedures in ACWDL 88-92 for the appropriate coding of his/her Medi-Cal card.

Counties will receive the OHC Indicator Change Report (RCV 139-CR002) listing the beneficiaries coded as a result of the PERS match. Counties are not required to update their records to match MEDS. Because other health coverage information is printed on share of cost forms (MC 177), counties should update their MC 177 share of cost records to alert providers to a beneficiary's cost avoidance coverage prior to their rendering services.

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If you have any questions, please contact Michael Jimenez of the Health Insurance Unit at (916) 739-3262.

Sincerely,

ORIGINAL SIGNED BY

Frank S. Martucci, Chief  
Medi-Cal Eligibility Branch

Enclosure

**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 ADMINISTERED THROUGH THE PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS). BEGINNING WITH YOUR OCTOBER 1991 MEDI-CAL CARD, EITHER A "K," "P," OR "V" CODE WILL BE PLACED IN THE OTHER COVERAGE FIELD OF YOUR MEDI-CAL CARD TO INDICATE COVERAGE WITH ONE OF THE SPECIFIC PLANS WHICH CONTRACTS WITH PERS.

EFFECTIVE OCTOBER 1, 1991, IF YOUR MEDI-CAL CARD IS CODED WITH A "V," YOUR PROVIDERS WILL HAVE TO BILL YOUR PRIVATE HEALTH INSURANCE BEFORE BILLING MEDI-CAL. IF YOUR INSURANCE COMPANY DENIES PAYMENT, YOUR PROVIDER MAY THEN BILL MEDI-CAL.

IF YOUR MEDI-CAL CARD IS CODED WITH A "K" OR "P," YOU HAVE BEEN IDENTIFIED AS HAVING HEALTH COVERAGE PROVIDED THROUGH A PREPAID HEALTH PLAN OR HEALTH MAINTENANCE ORGANIZATION. RECIPIENTS WITH THIS COVERAGE ARE REQUIRED TO GO TO THEIR SPECIFIC PLAN TO RECEIVE HEALTH CARE SERVICES. IF YOUR PREPAID HEALTH PLAN/HEALTH MAINTENANCE ORGANIZATION DOES NOT PROVIDE THE NEEDED SERVICE, YOU MUST REQUEST FROM THE PLAN, A "DENIAL LETTER" OR "EXPLANATION OF BENEFITS" CLEARLY STATING THAT THE SERVICE REQUESTED IS NOT COVERED UNDER THE TERMS OF YOUR HEALTH PLAN. PRESENT THE DENIAL LETTER OR EXPLANATION OF BENEFITS TO A MEDI-CAL PROVIDER AND HE/SHE WILL ATTACH THE LETTER TO YOUR MEDI-CAL CLAIM FOR SERVICE AND SUBMIT IT TO MEDI-CAL FOR REIMBURSEMENT.

IF THIS PRIVATE HEALTH INSURANCE COVERAGE EXTENDS TO A DEPENDENT, PLEASE COMPLETE THE ENCLOSED HEALTH INSURANCE QUESTIONNAIRE FOR ALL COVERED DEPENDENTS AND RETURN IT TO THE DEPARTMENT IN THE ENCLOSED POSTAGE PAID ENVELOPE.

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

**IMPORTANTE INFORMACION DE 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. TODAVIA 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 ADMINISTRADO A TRAVES DEL SISTEMA DE RETIRO PARA LOS EMPLEADOS PUBLICOS [PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)]. COMENZANDO CON SU TARJETA DE MEDI-CAL DE OCTUBRE DE 1991, UNA CLAVE QUE PUEDE SER UNA "K," "P," O "V" SERA PUESTA EN LA PARTE DE LA OTRA COBERTURA DE SALUD EN SU TARJETA DE MEDI-CAL PARA INDICAR LA COBERTURA CON UNO DE LOS PLANES ESPECIFICOS QUE TIENEN CONTRATO CON PERS.

A PARTIR DEL 1° DE OCTUBRE DE 1991, SI SU TARJETA DE MEDI-CAL ESTA CODIFICADA CON UNA "V", SUS PROVEEDORES DEL SERVICIO TENDRAN QUE COBRARLE PRIMERO A SU SEGURO PRIVADO DE SALUD ANTES DE COBRARLE A MEDI-CAL. SI SU COMPAÑIA DE SEGUROS NO QUIERE PAGAR, ENTONCES SU PROVEEDOR PUEDE COBRARLE A MEDI-CAL.

SI SU TARJETA DE MEDI-CAL ESTA CODIFICADA CON UNA "K" O "P," SIGNIFICA QUE UD. TIENE COBERTURA DE SALUD PROPORCIONADA A TRAVES DE UN PLAN DE SALUD PREPAGADO O DE UNA ORGANIZACION DE MANTENIMIENTO DE LA SALUD. LOS BENEFICIARIOS CON ESTA COBERTURA SON REQUERIDOS DE IR A SU PLAN ESPECIFICO PARA RECIBIR LOS SERVICIOS DE CUIDADO PARA LA SALUD. SI SU PLAN DE SALUD PREPAGADO/ORGANIZACION DE MANTENIMIENTO DE LA SALUD NO LE PROPORCIONA EL SERVICIO NECESITADO, UD. DEBE REQUERIR DEL PLAN UNA "CARTA NEGATIVA" O "EXPLICACION DE LOS BENEFICIOS" EN QUE MANIFIESTE CLARAMENTE QUE EL SERVICIO REQUERIDO NO ESTA CUBERTO BAJO LOS TERMINOS DE SU PLAN DE SALUD. PRESENTE LA CARTA NEGATIVA O EXPLICACION DE LOS BENEFICIOS AL PROVEEDOR DE MEDI-CAL Y EL/ELLA ADJUNTARA DICHO DOCUMENTO A SU RECLAMO DE MEDI-CAL POR EL SERVICIO NEGADO Y LO PRESENTARA A MEDI-CAL PARA SU PAGO.

SI ESTA COBERTURA DEL SEGURO PRIVADO DE SALUD INCLUYE A UN DEPENDIENTE, POR FAVOR COMPLETE EL CUESTIONARIO DEL SEGURO DE SALUD INCLUSO PARA TODOS LOS DEPENDIENTES CUBIERTOS Y DEVUELVALO AL DEPARTAMENTO EN EL SOBRE CON ESTAMPILLAS QUE INCLUIAMOS.

SI UD. NO TIENE SEGURO PRIVADO DE SALUD CON EL PLAN QUE HEMOS CODIFICADO EN SU TARJETA, PONGASE EN CONTACTO CON SU DEPARTAMENTO DE BIENESTAR DEL CONDADO.