STATE OF CALIFORNIA—HEALTH AND WELFARE AGENCY

PETE WILSON, *Governor*

DEPARTMENT OF HEALTH SERVICES
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November 22, 1991
Letter No.: 91-110

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

SUBJECT: NO RETROACTIVE COST AVOIDANCE FOR EW 15 AND EW 55 TRANSACTIONS AND THE ONE STEP ON-LINE OTHER HEALTH COVERAGE (OHC) OVERRIDE PROCESS

REFERENCE: ACWDL 90-49, 88-92, 87-44

The Department of Health Services has implemented a policy that prohibits assignment of retroactive cost avoidance codes for replacement Medi-Cal cards for ongoing cases issued using EW15 and EW55 transactions.

Counties may no longer make changes to the OHC code if it results in a cost avoidance code for current or retro month. If reporting initial eligibility for current or retro months, a cost avoidance code may be entered. The message M373 "ONLY PAY AND CHASE OTHER-COV ALLOWED WHEN ELIGIBLE ON MEDS" will appear when counties attempt to enter a cost avoidance OHC code for a current or history month for a recipient that is already MEDS eligible.

If an eligible has been identified with retroactive OHC, counties should assign a non-cost avoidance code "A" for the retroactive month(s) and use the appropriate OHC code for pending month. It is very important that counties follow these procedures since the retroactive pay and chase code enables the Department to bill the insurance carrier for the history month(s).

The following illustrates the propriety of various OHC codes in retroactive situations:

PERMISSIBLE CHANGES

Cost Avoidance Code	TO	Pay and Chase Code
Cost Avoidance OR Pay and Chase Code	TO	No Other Health Coverage (N)
No Other Health Coverage (N)	TO	Pay and Chase Code

PROHIBITED CHANGES

No Other Health Coverage (N)	TO	Cost Avoidance Code
Pay and Chase Code	TO	Cost Avoidance Code
Cost Avoidance Code	TO	Cost Avoidance Code

OHC CODE OVERRIDE PROCESS

To change the OHC code to cost avoidance for a future month on county controlled cases, the county should use an EW20 or EW30. To change the OHC code to cost avoidance for a future month on SSI/SSP cases, counties will have to contact the Health Insurance Unit (1-800-952-5294) since MEDS does not currently allow future month changes on the EW55. Modifications will be made to the EW55 in the next few months to allow future OHC changes. Counties will be notified of the EW55 changes in an upcoming Change Cycle Letter.

Counties should be aware that changing the OHC code will delete scope and health insurance information on the Medi-Cal card. This safety measure is intended to prevent the possibility of the insurance information failing to match the new OHC value.

If a beneficiary needs an IMMEDIATE NEED CARD only because the OHC code is incorrect, follow the on-line instructions described above. If the beneficiary needs an IMMEDIATE NEED CARD because the scope coding is incorrect, proceed as follows:

- If the beneficiary can wait a few days for a card, the county should call the State (1-800-952-5294) and request a change to the scope coding on the HIS. Allowing one day for the HIS update, the county could request a Medi-Cal card the next day using the EW45.

- If the beneficiary needs a card the same day, the county should use the EW15 or EW55 transaction to change the OHC code to an "A" and to issue a Medi-Cal card. This action will suspend HIS so that NO scope or health insurance is displayed on the IMMEDIATE NEED CARD. In order to report the proper cost avoidance code for the future month, the county should initiate an OHC code change using the EW20 or EW30 and send a corrected DHS 6155 to the State. The State will update HIS with the corrected scope.

If you have any questions regarding MEDS transactions, contact your MEDS liaison. All other questions should be directed to Cathy Corgiat of the Health Insurance Analytical Unit at (916) 739-3276, ATSS 496-3276.

Sincerely,

ORIGINAL SIGNED BY

Frank S. Martucci, Chief
Medi-Cal Eligibility Branch