



TOBY DOUGLAS  
*Director*

State of California—Health and Human Services Agency  
Department of Health Care Services



EDMUND G. BROWN JR.  
*Governor*

**DATE:** July 25, 2014

DUALS PLAN LETTER 14-003

**TO:** ALL MEDI-CAL MANAGED CARE HEALTH PLANS PARTICIPATING IN  
CAL MEDICONNECT

**SUBJECT:** CROSSOVER CLAIMING RESPONSIBILITY FOR MENTAL HEALTH  
SERVICES PROVIDED TO CAL MEDICONNECT BENEFICIARIES

**PURPOSE:**

The purpose of this Duals Plan Letter (DPL) is to clarify the crossover claiming responsibilities for medically necessary mental health services provided to beneficiaries eligible for Medicare and Medi-Cal (dual-eligible beneficiaries) enrolled in the Duals Demonstration Project, herein referred to as Cal MediConnect. The mental health services referenced in this DPL encompass mental health services provided at the Cal MediConnect plan level, and specialty mental health services provided by county Mental Health Plans (MHPs). This DPL only applies to dual-eligible beneficiaries who are enrolled in Cal MediConnect and in need of mental health services.

**BACKGROUND:**

In January 2012, Governor Brown announced his intent to enhance health outcomes and beneficiary satisfaction for low-income Seniors and Persons with Disabilities by shifting service delivery away from institutional care to home and community-based settings. To implement that goal, Governor Brown enacted the Coordinated Care Initiative (CCI) by signing Senate Bill (SB) 1008 (Chapter 33, Statutes of 2012), SB 1036 (Chapter 45, Statutes of 2012), and SB 94 (Chapter 37, Statutes of 2013).

Cal MediConnect is one component of the CCI which serves dual-eligible beneficiaries and combines the full continuum of acute, primary, institutional, behavioral health, and home and community-based Medicare and Medi-Cal services into a single benefit package. Cal MediConnect is delivered through an organized service delivery system administered by Medicare-Medicaid Plans (MMPs).

**DISCUSSION:**

MMPs are responsible for providing Cal MediConnect enrollees with access to all medically necessary mental health services currently covered by Medicare and Medi-Cal, including Medi-Cal specialty mental health services.

Financial Responsibilities

MMPs will be financially responsible for the Medicare portion of all mental health services that are covered by both Medicare and Medi-Cal, since Medicare is the primary payer. Medi-Cal may be responsible for paying some costs that Medicare does not cover for dual-eligible beneficiaries, such as deductibles, co-insurance, and copayments. The crossover claiming assumptions and payment responsibility for the Medi-Cal portion of mental health services covered by both Medicare and Medi-Cal varies and are clarified in Attachment 1 (pp. 4-12).

For example, Medicare typically pays approximately 80 percent of a medical claim, while Medi-Cal pays coinsurance only in cases when the amount Medi-Cal would pay exceeds the 80 percent reimbursed by Medicare (Welfare and Institutions Code, Section 14109.5). Therefore, if the Medicare payment of 80 percent exceeds what Medi-Cal would pay (if Medi-Cal were the only payer), then Medi-Cal will not pay any more toward that claim.

Capitation Payments

Capitation payments made to MMPs for Cal MediConnect enrollees exclude all Medi-Cal mental health services that are not also covered by Medicare. All Medi-Cal mental health services that are not covered by Medicare will continue to be reimbursed through existing processes. For example, all specialty mental health services that are not Medicare reimbursable will continue to be processed through the MHP.

For providers who provide specialty mental health services to dual-eligible enrollees, the billing process will remain similar to the current process. The provider will bill the MMP for the Medicare portion of the claim, then bill the county MHP for the crossover.

Substance Use Disorder Services

There are no crossover claiming issues for substance use disorder services (see Attachment 2: Letter to County Alcohol and Drug Program Administrators Drug Medi-Cal Direct Contract Providers).

**CROSSOVER CLAIMING RESPONSIBILITY POLICY:**

Please refer to Attachment 1: "Cal MediConnect – Crossover Claiming Responsibility for Mental Health Services."

If you have any questions regarding this DPL, please contact Sarah Brooks at [sarah.brooks@dhcs.ca.gov](mailto:sarah.brooks@dhcs.ca.gov) or Charles Anders at [charles.anders@dhcs.ca.gov](mailto:charles.anders@dhcs.ca.gov).

Sincerely,

*Original Signed by Margaret Tatar*

Margaret Tatar  
Acting Deputy Director  
Health Care Delivery Systems

Attachments

## Attachment 1: Cal MediConnect – Crossover Claiming Responsibility for Mental Health Services

**TABLE 1 – PSYCHIATRIC INPATIENT HOSPITAL SERVICES (NON-INSTITUTION FOR MENTAL DISEASE (IMDs))**

Type of Facility	Type of Service	Primary Benefit Coverage	Primary Financial Responsibility	Secondary Benefit Coverage	Secondary Financial Responsibility
Fee-For-Service Medi-Cal Hospital <sup>1</sup>	Acute Psychiatric Inpatient Hospital Service	Medicare, subject to coverage limitations.	Cal MediConnect Medicare-Medicaid Plan (MMP)	Medi-Cal	Mental Health Plan <sup>2</sup> via the Fiscal Intermediary <sup>3</sup>
	Psychiatric Inpatient Professional Services	Medicare, subject to coverage limitations	Cal MediConnect MMP	Medi-Cal	Mental Health Plan <sup>4</sup>
	Administrative Day Services	Medi-Cal	Mental Health Plan via the Fiscal Intermediary <sup>5</sup>	N.A.	N.A.
Short-Doyle Medi-Cal Hospital <sup>6</sup>	Acute Psychiatric Inpatient Hospital Service	Medicare, subject to coverage limitations	Cal MediConnect MMP	Medi-Cal	Mental Health Plan
	Psychiatric Inpatient Professional Services <sup>7</sup>	Medicare, subject to coverage limitations	Cal MediConnect MMP	Medi-Cal	Mental Health Plan
	Administrative Day Service	Medi-Cal	Mental Health Plan	N.A.	N.A.

<sup>1</sup> Fee-for-Service Medi-Cal (FFS/MC) Hospitals submit claims to the Fiscal Intermediary for Medi-Cal reimbursement of psychiatric inpatient hospital services.

<sup>2</sup> A mental health plan is a county mental health department that has entered into a contract with the Department of Health Care Services (DHCS) to provide directly or arrange and pay for specialty mental health services to Medi-Cal beneficiaries in a county.

<sup>3</sup> Pursuant to California Code of Regulations (CCR), Title 9, Sections 1820.110(b) and 1820.115(b), FFS/MC hospitals are paid a rate negotiated between the hospital and the mental health plan or a regional average rate set by DHCS. Both rates include routine hospital services and hospital-based ancillary services. Neither rate includes professional services. The non-federal share of the rate paid the hospital is deducted from the responsible county's distribution from the Mental Health Subaccount in the Sales Tax Account of the Local Revenue Fund.

<sup>4</sup> The mental health plan covers psychiatric inpatient professional services provided by individual and group providers under contract with the mental health plan.

<sup>5</sup> Pursuant to CCR, Title 9, Sections 1820.110(d) and 1820.115(d), FFS/MC hospitals are reimbursed the administrative day rate established in accordance with CCR, Title 22, Section 51542 increased by 25 percent to cover hospital-based ancillary services. The non-federal share of the rate paid the hospital is deducted from the responsible county's distribution from the Mental Health Subaccount in the Sales Tax Account of the Local Revenue Fund.

<sup>6</sup> Short-Doyle Medi-Cal Hospitals submit claims to the Mental Health Plan for reimbursement of psychiatric inpatient hospital services provided to Medi-Cal beneficiaries.

<sup>7</sup> The Short-Doyle Hospital rate includes psychiatric inpatient professional services.

**TABLE 1 CONTINUED – PSYCHIATRIC INPATIENT HOSPITAL SERVICES (NON-IMDs)**

<b>Type of Facility</b>	<b>Type of Service</b>	<b>Primary Benefit Coverage</b>	<b>Primary Financial Responsibility</b>	<b>Secondary Benefit Coverage</b>	<b>Secondary Financial Responsibility</b>
Psychiatric Health Facility <sup>8</sup>	Acute Psychiatric Inpatient Hospital Service	Medicare, subject to coverage limitations	Cal MediConnect MMP	Medi-Cal	Mental Health Plan
Emergency Department	Crisis Stabilization <sup>9</sup>	Medi-Cal	Mental Health Plan	N.A.	N.A.
Emergency Department	ED services that may include MH services and don't result in hospital admission	Medicare	Cal MediConnect MMP	Medi-Cal	Cal MediConnect MMP

<sup>8</sup> Two psychiatric health facilities in California are certified by Medicare to provide inpatient services. Those facilities bill Medi-Cal for acute psychiatric inpatient hospital services.

<sup>9</sup> Crisis stabilization services are provided in units certified by DHCS.

**TABLE 2 – LONG TERM CARE SERVICES (NON-IMDs)**

<b>Type of Facility</b>	<b>Type of Service</b>	<b>Primary Benefit Coverage</b>	<b>Primary Financial Responsibility</b>	<b>Secondary Benefit Coverage</b>	<b>Secondary Financial Responsibility</b>
Skilled Nursing Facility <sup>10</sup>	Basic Skilled Nursing Facility Services	Medicare, subject to coverage limitations	Cal MediConnect MMP	Medi-Cal	Cal MediConnect MMP
	Special Treatment Program	Medicare, subject to coverage limitations	Cal MediConnect MMP	Medi-Cal	Cal MediConnect MMP
Mental Health Rehabilitation Centers <sup>11</sup>	Adult Residential Facility Service	Medi-Cal	Mental Health Plan	N.A.	N.A.
Psychiatric Health Facility <sup>12</sup>	Psychiatric Health Facility Service	Medi-Cal	Mental Health Plan	N.A.	N.A.

<sup>10</sup> A skilled nursing (SNF) facility with a certified special treatment program (STP) is not an IMD when there are 16 or fewer beds in the STP or when the number of beds in the STP comprises less than 50 percent of the total beds in the SNF.

<sup>11</sup> A mental health rehabilitation center is not an IMD when it has 16 or fewer beds.

<sup>12</sup> A psychiatric health facility is not an IMD when it has sixteen or fewer beds.

**TABLE 3 – INSTITUTIONS FOR MENTAL DISEASE (Ages 22 Through 64, 17+ beds)<sup>13</sup>**

<b>Type of Facility</b>	<b>Type of Service</b>	<b>Primary Benefit Coverage</b>	<b>Primary Financial Responsibility</b>	<b>Secondary Benefit Coverage</b>	<b>Secondary Financial Responsibility</b>
Skilled Nursing Facility <sup>14</sup>	Special Treatment Program	Medicare, subject to coverage limitations	Cal MediConnect MMP	N.A.	County Mental Health <sup>15, 16</sup>
Mental Health Rehabilitation Center <sup>17</sup>	Room and Board	N.A.	N.A.	N.A.	N.A.
	Psychiatric professional services	Medicare	Cal MediConnect MMP	N.A.	County Mental Health, subject to contract terms
	Medical, pharmacy, ancillary services (some of these services may be included in the per diem reimbursements)	Medicare	Cal MediConnect MMP	N.A.	N.A.
Psychiatric Health Facility <sup>18</sup>	Room and Board	N.A.	N.A.	N.A.	N.A.
	Psychiatric professional services	Medicare	Cal MediConnect MMP	N.A.	County Mental Health, subject to contract terms
	Medical, pharmacy, ancillary services (some of these services may be included in the per diem reimbursements)	Medicare	Cal MediConnect MMP	N.A.	N.A.

<sup>13</sup> Services provided beneficiaries under age 22 or over age 64 while the beneficiary is residing in a facility that is classified as an IMD are reimbursed pursuant to Table 1 or Table 2 above.

<sup>14</sup> A skilled nursing facility (SNF) with a certified special treatment program (STP) is considered to be an IMD when there are more than 16 beds in the STP and the STP comprises more than 50 percent of the beds in the SNF.

<sup>15</sup> County mental health refers to the local department that is responsible for providing community mental health services pursuant to the Bronzan McCorquodale Act.

<sup>16</sup> County mental health is responsible to pay for care provided to an individual who is in an IMD. The contract between the county and the IMD may obligate the county to pay the difference between the normal county rate and the payment received from Medicare when the beneficiary is enrolled in Medicare.

<sup>17</sup> A mental health rehabilitation center is considered to be an IMD when it has more than 16 beds.

<sup>18</sup> A psychiatric health facility is considered to be an IMD when it has more than 16 beds.

<b>TABLE 3 CONTINUED – INSTITUTIONS FOR MENTAL DISEASE (Ages 22 Through 64, 17+ beds)<sup>19</sup></b>					
<b>Type of Facility</b>	<b>Type of Service</b>	<b>Primary Benefit Coverage</b>	<b>Primary Financial Responsibility</b>	<b>Secondary Benefit Coverage</b>	<b>Secondary Financial Responsibility</b>
Fee-for-Service Medi-Cal Hospital <sup>20</sup>	Acute Psychiatric Inpatient Hospital Service	Medicare, subject to coverage limitations	Cal MediConnect MMP	N.A.	County Mental Health
	Professional Services	Medicare, subject to coverage limitations	Cal MediConnect MMP	N.A.	County Mental Health
	Administrative Day	N.A.	County Mental Health	N.A.	N.A.
Short-Doyle Medi-Cal Hospital <sup>21, 22</sup>	Acute Psychiatric Inpatient Hospital Service	Medicare, subject to coverage limitations	Cal MediConnect MMP	N.A.	County Mental Health
	Professional Services	Medicare, subject to coverage limitations	Cal MediConnect MMP	N.A.	County Mental Health
	Administrative Day Service	N.A.	County Mental Health	N.A.	N.A.

<sup>19</sup> Services provided beneficiaries under age 22 or over age 64 while the beneficiary is residing in a facility that is classified as an IMD are reimbursed pursuant to Table 1 or Table 2 above.

<sup>20</sup> A free standing psychiatric hospital is considered to be an IMD when the hospital has more than 16 beds.

<sup>21</sup> A free standing psychiatric hospital is considered to be an IMD when the hospital has more than 16 beds.

<sup>22</sup> A Psychiatric Health Facility that is certified by Medicare to provide acute psychiatric inpatient hospital services is considered to be a Short-Doyle Medi-Cal Hospital in Table 3.



**TABLE 4 - OUTPATIENT MENTAL HEALTH SERVICES**

Type of Services	Beneficiary Meets Specialty Mental Health Medical Necessity Criteria <sup>23</sup>				Beneficiary Does Not Meet Specialty Mental Health Medical Necessity Criteria			
	Primary Benefit Coverage <sup>24</sup>	Primary Financial Responsibility	Secondary Benefit Coverage <sup>25</sup>	Secondary Financial Responsibility	Primary Benefit Coverage	Primary Financial Responsibility	Secondary Benefit Coverage	Secondary Financial Responsibility
Psychiatric Testing and Assessment	Medicare	Cal MediConnect MMP	Medi-Cal	Mental Health Plan	Medicare	Cal MediConnect MMP	Medi-Cal	Cal MediConnect MMP
Individual and Group Therapy	Medicare	Cal MediConnect MMP	Medi-Cal	Mental Health Plan	Medicare	Cal MediConnect MMP	Medi-Cal	Cal MediConnect MMP
Collateral	Medicare	Cal MediConnect MMP	Medi-Cal	Mental Health Plan	Medicare	Cal MediConnect MMP	Medi-Cal	Cal MediConnect MMP
Medication Therapy Management / Medication Management	N.A.	N.A.	N.A.	N.A.	Medicare	Cal MediConnect MMP	Medi-Cal	Cal MediConnect MMP
Medication Support Services (prescribing, dispensing, and monitoring) <sup>26</sup>	Medicare	Cal MediConnect MMP	Medi-Cal	Mental Health Plan	N.A.	N.A.	N.A.	N.A.

<sup>23</sup> This table identifies the entities with primary and secondary financial responsible for mental health services when provided to a beneficiary who meets the medical necessity criteria for specialty mental health services as defined in CCR, Title 9, Sections 1830.205 or 1830.210.

<sup>24</sup> Medicare does not cover services provided by certain licensed practitioners and does not cover services provided in certain locations. Medicare does not cover services provided by a licensed Marriage and Family Therapist (MFT). Medicare does not cover services where the place of service is a school, mobile, community, or over the phone. When an otherwise covered service is provided by an MFT or in one of these listed places of service, it is not covered by Medicare. If the service is covered by Medi-Cal, it is the responsibility of the mental health plan.

<sup>25</sup> Medi-Cal will only reimburse the unreimbursed portion of the amount that Medi-Cal would have normally paid for the particular type of service. If the amount that Medicare reimburses is equal to or greater than the amount that Medi-Cal normally pays for the service, Medi-Cal will not pay any more.

<sup>26</sup> See Mental Health Information Notice 11-06 from April 29, 2011.

**TABLE 4 CONTINUED - OUTPATIENT MENTAL HEALTH SERVICES**

Type of Services	Beneficiary Meets Specialty Mental Health Medical Necessity Criteria <sup>27</sup>				Beneficiary Does Not Meet Specialty Mental Health Medical Necessity Criteria			
	Primary Benefit Coverage <sup>28</sup>	Primary Financial Responsibility	Secondary Benefit Coverage <sup>29</sup>	Secondary Financial Responsibility	Primary Benefit Coverage	Primary Financial Responsibility	Secondary Benefit Coverage	Secondary Financial Responsibility
Medication Support Services (Instruction in the use, risks and benefits of and alternatives for medication) <sup>30</sup>	Medi-Cal	Mental Health Plan	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Pharmacy	Medicare	Cal MediConnect MMP	N.A.	N.A.	Medicare	Cal MediConnect MMP	N.A.	N.A.

<sup>27</sup> This table identifies the entities with primary and secondary financial responsible for mental health services when provided to a beneficiary who meets the medical necessity criteria for specialty mental health services as defined in CCR, Title 9, Sections 1830.205 or 1830.210.

<sup>28</sup> Medicare does not cover services provided by certain licensed practitioners and does not cover services provided in certain locations. Medicare does not cover services provided by a licensed MFT. Medicare does not cover services where the place of service is a school, mobile, community, or over the phone. When an otherwise covered service is provided by an MFT or in one of these listed places of service, it is not covered by Medicare. If the service is covered by Medi-Cal, it is the responsibility of the mental health plan.

<sup>29</sup> Medi-Cal will only reimburse the unreimbursed portion of the amount that Medi-Cal would have normally paid for the particular type of service. If the amount that Medicare reimburses is equal to or greater than the amount that Medi-Cal normally pays for the service, Medi-Cal will not pay any more.

<sup>30</sup> See Mental Health Information Notice 11-06 from April 29, 2011

**TABLE 4 CONTINUED - OUTPATIENT MENTAL HEALTH SERVICES**

Type of Services	Beneficiary Meets Specialty Mental Health Medical Necessity Criteria <sup>31</sup>				Beneficiary Does Not Meet Specialty Mental Health Medical Necessity Criteria			
	Primary Benefit Coverage <sup>32</sup>	Primary Financial Responsibility	Secondary Benefit Coverage <sup>33</sup>	Secondary Financial Responsibility	Primary Benefit Coverage <sup>34</sup>	Primary Financial Responsibility	Secondary Benefit Coverage <sup>35</sup>	Secondary Financial Responsibility
Partial Hospitalization/ Intensive Outpatient Programs	Medicare	Cal MediConnect MMP	N.A.	N.A.	Medicare	Cal MediConnect MMP	N.A.	N.A.
Outpatient Services within the scope of primary care	Medicare	Cal MediConnect MMP	N.A.	N.A.	Medicare	Cal MediConnect MMP	N.A.	N.A.
Mental Health Rehabilitation Services	Medi-Cal	Mental Health Plan	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Adult Residential Treatment	Medi-Cal	Mental Health Plan	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Crisis Residential Treatment	Medi-Cal	Mental Health Plan	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

<sup>31</sup> This table identifies the entities with primary and secondary financial responsible for mental health services when provided to a beneficiary who meets the medical necessity criteria for specialty mental health services as defined in CCR, Title 9, Sections 1830.205 or 1830.210.

<sup>32</sup> Medicare does not cover services provided by certain licensed practitioners and does not cover services provided in certain locations. Medicare does not cover services provided by a licensed MFT. Medicare does not cover services where the place of service is a school, mobile, community, or over the phone. When an otherwise covered service is provided by an MFT or in one of these listed places of service, it is not covered by Medicare. If the service is covered by Medi-Cal, it is the responsibility of the mental health plan.

<sup>33</sup> Medi-Cal will only reimburse the unreimbursed portion of the amount that Medi-Cal would have normally paid for the particular type of service. If the amount that Medicare reimburses is equal to or greater than the amount that Medi-Cal normally pays for the service, Medi-Cal will not pay any more.

<sup>34</sup> Medicare does not cover services provided by certain licensed practitioners and does not cover services provided in certain locations. Medicare does not cover services provided by a licensed MFT. Medicare does not cover services where the place of service is a school, mobile, community, or over the phone. When an otherwise covered service is provided by an MFT or in one of these listed places of service, it is not covered by Medicare. If the service is covered by Medi-Cal, it is the responsibility of the mental health plan.

<sup>35</sup> Medi-Cal will only reimburse the unreimbursed portion of the amount that Medi-Cal would have normally paid for the particular type of service. If the amount that Medicare reimburses is equal to or greater than the amount that Medi-Cal normally pays for the service, Medi-Cal will not pay any more.

**TABLE 4 CONTINUED - OUTPATIENT MENTAL HEALTH SERVICES**

Type of Services	Beneficiary Meets Specialty Mental Health Medical Necessity Criteria <sup>36</sup>				Beneficiary Does Not Meet Specialty Mental Health Medical Necessity Criteria			
	Primary Benefit Coverage <sup>37</sup>	Primary Financial Responsibility	Secondary Benefit Coverage <sup>38</sup>	Secondary Financial Responsibility	Primary Benefit Coverage <sup>39</sup>	Primary Financial Responsibility	Secondary Benefit Coverage <sup>40</sup>	Secondary Financial Responsibility
Crisis Intervention	Medi-Cal	Mental Health Plan	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Crisis Stabilization	Medi-Cal	Mental Health Plan	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Day Rehabilitation	Medi-Cal	Mental Health Plan	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Day Treatment Intensive	Medi-Cal	Mental Health Plan	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Plan Development	Medi-Cal	Mental Health Plan	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Targeted Case Management	Medi-Cal	Mental Health Plan	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

<sup>36</sup> This table identifies the entities with primary and secondary financial responsible for mental health services when provided to a beneficiary who meets the medical necessity criteria for specialty mental health services as defined in CCR, Title 9, Sections 1830.205 or 1830.210.

<sup>37</sup> Medicare does not cover services provided by certain licensed practitioners and does not cover services provided in certain locations. Medicare does not cover services provided by a licensed MFT. Medicare does not cover services where the place of service is a school, mobile, community, or over the phone. When an otherwise covered service is provided by an MFT or in one of these listed places of service, it is not covered by Medicare. If the service is covered by Medi-Cal, it is the responsibility of the mental health plan.

<sup>38</sup> Medi-Cal will only reimburse the unreimbursed portion of the amount that Medi-Cal would have normally paid for the particular type of service. If the amount that Medicare reimburses is equal to or greater than the amount that Medi-Cal normally pays for the service, Medi-Cal will not pay any more.

<sup>39</sup> Medicare does not cover services provided by certain licensed practitioners and does not cover services provided in certain locations. Medicare does not cover services provided by a licensed MFT. Medicare does not cover services where the place of service is a school, mobile, community, or over the phone. When an otherwise covered service is provided by an MFT or in one of these listed places of service, it is not covered by Medicare. If the service is covered by Medi-Cal, it is the responsibility of the mental health plan.

<sup>40</sup> Medi-Cal will only reimburse the unreimbursed portion of the amount that Medi-Cal would have normally paid for the particular type of service. If the amount that Medicare reimburses is equal to or greater than the amount that Medi-Cal normally pays for the service, Medi-Cal will not pay any more.

# Attachment 2: Letter to County Alcohol and Drug Program Administrators Drug Medi-Cal Direct Contract Providers

STATE OF CALIFORNIA - HEALTH AND HUMAN SERVICES AGENCY

ARNOLD SCHWARZENEGGER, Governor

## DEPARTMENT OF ALCOHOL AND DRUG PROGRAMS

1700 K STREET  
SACRAMENTO, CA 95811-4037  
TDD (916) 445-1942  
(916) 322-7012



January 29, 2010

To: County Alcohol and Drug Program Administrators  
Drug Medi-Cal Direct Contract Providers

This is to communicate the current status regarding Short-Doyle/Medi-Cal (SD/MC) substance use claims for persons who have dual eligibility for Medicare and Medicaid services (Medi-Medi beneficiaries).

The Department of Health Care Services (DHCS) and the Department of Alcohol and Drug Programs (ADP) have received communication from the federal Centers for Medicare and Medicaid Services (CMS) regarding the CMS requirement to bill Medicare first for services to Medi-Medi beneficiaries.

CMS has agreed that substance use services under the Drug Medi-Cal program are not payable by Medicare. Therefore, billing Medicare first for Medi-Medi beneficiaries is not required. The SD/MC Phase 2 system has been updated to remove the edit for ADP DMC claims that checks for Medicare billing.

Additionally, as a result of the delay in obtaining and providing this information, the Department is granting approval for all trading partners to use Delay Reason Code (DRC) 11 for December 2009 claims only. In addition to using DRC 11, use Attachment Control Number ADP200912 for each December 2009 claim. The December 2009 claims must be submitted by February 28, 2010. While the Good Cause Certification form is not required to be submitted for the December 2009 claims, this document must be retained by the county or direct contract provider. Claims for January 2010 are due March 2, 2010.

If you have any specific questions regarding the submission of your claims, please contact your assigned Fiscal Management and Accountability Branch analyst.

Sincerely,

A handwritten signature in cursive script that reads 'dave neilsen'.

dave neilsen  
Deputy Director  
Program Services Division



DO YOUR PART TO HELP CALIFORNIA SAVE ENERGY  
For energy saving tips, visit the Flex Your Power website at  
<http://www.fypower.org>