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MMCD Policy Letter 08-011

TO: ALL MEDI-CAL MANAGED CARE HEALTH PLANS

SUBJECT: COST AVOIDANCE AND POST-PAYMENT RECOVERY FOR OTHER HEALTH COVERAGE

This Policy Letter serves to advise Medi-Cal managed care health plans (plans) of their contractual requirements with respect to:

- Using the Department of Health Care Services (DHCS) Medi-Cal eligibility record to process claims involving other health coverage (OHC);
- Processes for proper denial of a provider claim for OHC; and
- Reporting to DHCS within 10 calendar days after the health plan becomes aware of OHC that is not listed on the Medi-Cal eligibility record.

HEALTH PLAN RESPONSIBILITIES

1. Using the Medi-Cal Eligibility Record for Processing OHC Claims

Although plans may become aware of OHC from sources other than the Medi-Cal eligibility record, they cannot use that information to deny claims. Instead, plans must rely on the Medi-Cal eligibility record for purposes of cost avoidance and post-payment recovery. Providers have expressed concern that plans are denying claims for OHC even though the Medi-Cal eligibility record does not indicate that a beneficiary has OHC.

2. Denial of a Provider Claim

Medi-Cal managed care contracts require that plans shall not pay claims for services provided to a member whose Medi-Cal eligibility record indicates OHC without proof that the provider has first exhausted all sources of other payments. Medi-Cal managed care contracts also allow the provider to resubmit the original claim to the plan for payment after providing proof to the plan that all sources of OHC payments have been exhausted.

3. OHC Reporting Requirements and Delivery Options

Medi-Cal managed care contracts require plans to report OHC information that is unknown to DHCS within 10 calendar days of discovery. This requirement is to ensure timely receipt of all new OHC information so that the Third Party Liability Division (TPL) can verify the information and, if it is valid, update the member's Medi-Cal eligibility record.

Plans should contact TPL at: TPLMContacts@dhcs.ca.gov to obtain specific delivery instructions for reporting OHC not listed on the Medi-Cal eligibility record.

In an attempt to foster plan and provider relations, the Medi-Cal Managed Care Division encourages health plans to provide providers with additional known information along with a claim denial whenever the Medi-Cal eligibility record indicates a member has OHC. Denial of a provider claim can be accompanied by information supplying the provider, if known, with the name of the OHC provider, the policy number, and contact information.

Your cooperation and assistance in this matter is greatly appreciated. If you have any questions regarding this letter, please contact your contract manager.

Sincerely,


Vanessa M. Baird, MPPA, Chief
Medi-Cal Managed Care Division