



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



EDMUND G. BROWN JR.  
GOVERNOR

DEC 09 2014

Hye Sun Lee  
Acting Associate Regional Administrator  
Division of Medicaid and Children's Health Operations  
Centers for Medicare and Medicaid Services  
San Francisco Regional Office  
90 Seventh Street, Suite 5-300 (5W)  
San Francisco, CA 94103-6707

**Re: State Plan Amendment 14-028**

Dear Ms. Lee,

The Department of Health Care Services (Department) is submitting the enclosed State Plan Amendment (SPA) to remove specific International Classification for Diseases (ICDs) codes from the State Plan as well as revise the minimum threshold for determining whether recoveries are cost effective to pursue.

By standardizing the diagnosis code description it will alleviate the need to revise the language to incorporate future updates to the ICDs.

The Department has increased the threshold for non-pursuit cases from \$500 to \$2,000 due to the ever increasing costs to remedy such cases.

**ORIGINAL SIGNED**

Enclosures

cc: Jeff Blackmon, Chief  
Third Party Liability and Recovery Division  
MS 4720  
P.O. Box 997425  
Sacramento, CA 95899-7425

TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL

FOR: HEALTH CARE FINANCING ADMINISTRATION

TO: REGIONAL ADMINISTRATOR  
HEALTH CARE FINANCING ADMINISTRATION  
DEPARTMENT OF HEALTH AND HUMAN SERVICES5. TYPE OF PLAN MATERIAL (*Check One*): NEW STATE PLAN AMENDMENT TO BE CONSIDERED AS NEW PLAN AMENDMENTCOMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (*Separate Transmittal for each amendment*)

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR 433.138 (e) (1)

42 CFR 433.139 (f) (2) &amp; (f) (3)

7. FEDERAL BUDGET IMPACT:

a. FFY \$0

b. FFY \$0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.22-A

Page 4, paragraph 4

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  
OR ATTACHMENT (*If Applicable*):

Attachment 4.22-A

Page 4, paragraph 4

10. SUBJECT OF AMENDMENT:

Remove specific trauma codes(800-999) and revise the minimum threshold for recoveries by the Department.

11. GOVERNOR'S REVIEW (*Check One*):

GOVERNOR'S OFFICE REPORTED NO COMMENT  
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED:  
 The Governor's Office does not  
 wish to review the State Plan Amendment.

ORIGINAL SIGNED

15. DATE SUBMITTED:

16. RETURN TO:

Department of Health Care Services  
 Attn: State Plan Coordinator  
 1501 Capitol Avenue, Suite 71.326  
 P.O. Box 997417  
 Sacramento, CA 95899-7417

## FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

18. DATE APPROVED:

PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

22. TITLE:

23. REMARKS:

**Health Insurance Premium Payment TPL Review:**

When an individual inquires about participation in the Health Insurance Premium Payment (HIPP) Program, Department staff request the individual's Social Security Number in order to review MEDS for share of cost, Other Health Coverage (OHC) Information, Medicare entitlement and Med-Cal eligibility. If MEDS indicates no OHC code, the individual is asked if he/she has health insurance coverage. If the individual responds in the affirmative, he/she is asked to provide specific health insurance information (i.e., carrier name, carrier address, policy number, and scope of coverage). Once complete information is obtained, the Department updates MEDS with the appropriate OHC indicator and the Health Insurance System (HIS) file.

**Workers' Compensation**

California's Medicaid agency receives copies of all Workers' Compensation Appeals claims. Within sixty (60) days, these claims are matched against eligibility files to identify Medi-Cal eligibles. If Medi-Cal eligibility is identified, a potential third party liability case is established and an investigation is made to determine if a recovery can be made. In addition, copies of applications for adjudication are sent to the Department of Social Services (DSS). In turn, DSS sends these copies to the appropriate local IV-D agency District Attorney (DA) office. If the absent parent has employer related health insurance coverage available, the county DA office provides follow-up service to identify whether the appeal can be linked to an active Medi-Cal dependent IV-D case. If the DA discovers employer coverage, the DA requires the absent parent, through a court or administrative order, to provide health insurance and to complete medical insurance for (DHS 6110). The completed DHS 6110 forms are sent by the DA's office to the Department.

- (3) As stated in the Section "Third Party Liability (1)", California's Medicaid agency does not obtain information from DMV.
- (4) The Medicaid agency conducts edits of paid claims to identify treatment provided as a result of injury using International Classification of Diseases diagnosis codes. The Department generates letters, seeking potential third party liability information, to recipients who receive \$2,000 or more in paid services when the service is listed on the claim relates to an injury diagnosis. If there is no response within sixty (60) days and paid claims exceed \$750, a second letter is sent. If no response is received, a follow-up file is printed and personal contact is attempted by staff.

A quarterly report is generated indicating the number and total dollar value of all cases by individual trauma code. A second report, generated semi-annually, lists recoveries made by trauma code.

- (5) In addition to the federally required data exchanges, the California Medicaid agency also conducts the following optional data exchanges:

TN No. 14-028

Supersedes

TN No. 91-04

Approval Date \_\_\_\_\_

Effective Date: October 1, 2014

## **SPA Impact Form**

**State/Title/Plan Number:** California, Removing specific diagnosis codes from the State Plan as well as revising the minimum threshold of recoveries pursued by the Department.

**Federal Fiscal Impact:** None

**Number of People Affected by Enhanced Coverage, Benefits or Retained Eligibility:** 0

**Number of Potential Newly Eligible People:** 0

**or**

**Eligibility Simplification:** No

**Number of People Losing Medicaid Eligibility:** 0

**Reduces Benefits:** No

**Provider Payment Increase:** No

**Delivery System Innovation:** No

### **Comments/Remarks:**

The requested change will amend the State Plan to update the trauma codes used when creating liens for Third Party Liability claims. Removing specifically identified codes will allow consistency with the ever changing coding structure of the International Codes of Diseases (ICDs) as determined by the World Health Organization (WHO). This SPA is in response to the recent change of the ICD-9 trauma and diagnosis codes to the updated ICD-10 trauma and diagnosis codes. The requested change will also amend the minimum threshold for recoveries the Department will pursue in order to effectively pursue higher value cases and provide more profitable outcomes and recoveries. This revision will increase the minimum threshold from \$500.00 to \$2,000.00.

**DHS Contact:** William Donohue, SSMI  
[William.Donohue@dhcs.ca.gov](mailto:William.Donohue@dhcs.ca.gov)  
916-650-6473

**Date:** November 3, 2014