



DAVID MAXWELL-JOLLY
Director

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



ARNOLD
SCHWARZENEGGER
Governor

Date: October 7th, 2009

NL: 05-1009
Supercedes N.L. 08-1208

TO: ALL COUNTY CALIFORNIA CHILDREN SERVICES (CCS) PROGRAM
ADMINISTRATORS, MEDICAL CONSULTANTS, AND STATE
CHILDREN'S MEDICAL SERVICES (CMS) BRANCH

SUBJECT: REVISED MR-O-940 REPORTS - PROCEDURES FOR ERROR
CORRECTION

I. PURPOSE

The purpose of this Numbered Letter (NL) is to provide counties and regional offices with revised procedures for correction of errors found in the monthly county CCS expenditures MR-O-940 report.

II. BACKGROUND

The MR-O-940 report is a monthly report detailing diagnostic and treatment expenditures for the CCS-only (CCS clients with no Medi-Cal eligibility) and Healthy Families (HF) clients. The MR-O-940 lists expenditures for CCS-only and HF clients by county, client name, provider and date of service. The MR-O-940 report is used to reconcile CCS-only and HF expenditures by county for diagnosis and treatment services in order to report these expenditures on the county's quarterly CCS Claim for Reimbursement.

III. IMPLEMENTATION OF CORRECTION PROCEDURES

Effective with the date of this numbered letter the procedures in the enclosed, "Correction of Errors in Monthly County Expenditures reports (MR-O-940)" shall be used to report and correct errors in the Monthly County Expenditure Reports.

For CCS clients, including Healthy Families subscribers, who have become retroactively eligible for Medi-Cal full scope, no share of cost or who have met their Medi-Cal share of cost late in a month, an Erroneous Payment Correction (EPC) will be run in the payment system twice in each fiscal year.

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The EPC will systematically shift payments to Medi-Cal that were originally paid CCS-only or Healthy Families. The process involves voiding the original payment and reprocessing essentially a new claim using the revised eligibility.

Each county is responsible for reviewing its MR-O-940 report on a monthly basis for errors. When errors are found, the county may request correction by sending the information to the appropriate regional office for review and approval.

If you have any questions regarding this numbered letter, please contact your State Regional Office Administrative Consultant or analyst.

Original Signed by

Luis, R. Rico, Acting Chief
Children's Medical Services Branch

Enclosures

MR-O-940 CORRECTIONS OF ERRORS PROCEDURES

Expenditures for CCS only (CCS clients with no Medi-Cal eligibility) and Healthy Families (HF) deemed eligible (also referred to as "HF over income") clients are reported weekly (MR-O-910) and monthly (MR-O-940) by county, client name, provider and date of service.

Each county is responsible for reviewing their monthly MR-O-940 report for errors. When an error is discovered on the MR-O-940 Reports, it is imperative that requests for corrections are submitted immediately. Corrections to MR-O-940 reports cannot be corrected 18 months past the date of adjudication. The date of adjudication is defined as the date a claim is thoroughly processed through EDS' claims processing system.

The following correction procedure applies to claims erroneously adjudicated from CCS Treatment Funds that are not captured by the EPC.

The county will take the following steps to have the error corrected:

- County staff must report errors via the Memo to Correct MR-O-940 Report Errors Form. **See Attachment A.**
- County staff must prepare the CCS MR-O-940 Correction Transmittal Form. **See Attachment B.** A Correction Transmittal Form is required for each client.
- County staff must forward the completed forms with all supporting documentation to the State Regional Office for review and approval.

Supporting documentation includes but is not limited to:

- Copy of MR-O-940 report
- Memo to Correct MR-O-940 Report of Errors form
- CCS MR-O-940 Correction Transmittal Form
- Copy of any other supporting documentation

State Regional Office staff reviews and verifies the Memo to Correct MR-O-940 Report of Errors, CCS MR-O-940 Correction Transmittal Form and supporting documentation for each error requesting correction.

If the error correction(s) is verified and approved by the State Regional Office staff the Regional Office will take the following steps:

- Forward a copy of the approved Memo to Correct MR-O-940 Report of Errors to the originating county for their records.

MR-O-940 CORRECTIONS OF ERRORS PROCEDURES

- Forward a copy of the CCS MR-O-940 Correction Transmittal, and all supporting documentation to EDS' Cash Control Unit for processing.
- Keep a copy of the CCS MR-O-940 Correction Transmittal, Memo to Correct MR-O-940 Report of Errors and all supporting documentations for your records.
- Approved adjustments will appear on future MR-O-940 reports once they have been processed by EDS.

If the error correction(s) is not approved by the State Regional Office staff the Regional Office will take the following steps:

- Return the original Memo to Correct MR-O-940 Report of Errors, CCS MR-O-940 Correction Transmittal Form and supporting documentation with a denial explanation to the originating county for their records.
- Keep a copy of the MR-O-940 Correction Memo for your records.

Medi-Cal Full Scope, no share of cost corrections

For CCS clients, including Healthy Families subscribers, who have become retroactively eligible for Medi-Cal full scope, no share of cost or who have met their Medi-Cal share of cost late in a month, an Erroneous Payment Correction (EPC) will be run in the payment system twice in each fiscal year. The EPC will systematically shift payments to Medi-Cal that were originally paid CCS-only or Healthy Families. The process involves voiding the original payment and reprocessing essentially a new claim using the revised eligibility.

Counties can track the EPC results in two ways:

- The amount voided for the claim will be added back as a credit (negative amount) adjustment to the year-to-date expenditures on the county's online allocation screen, with a concomitant increase in the remaining balance.
- The voided claims will appear on the MR-O-910/940 reports as a credit or negative adjudicated claim line.

Providers will see the results of the EPC on their payment remittance advice as adjustment code 0975. In the case where the error correction for a CCS/Medi-Cal recipient is not captured during the most recent EPC or the correction requires immediate action the above MR-O-940 error correction process may be used.

MR-O-940 CORRECTIONS OF ERRORS PROCEDURES

CCS-only corrections

All other MR-O-940 error corrections (such as, wrong county and crossovers between Healthy Families Expenditures). The county will take the following steps to have the error(s) corrected:

- County staff must report errors via the Memo to Correct MR-O-940 Report Errors Form and forward the completed form with all supporting documentation to the State Regional Office for review and approval.
See Attachment A.

Supporting documentation includes but is not limited to:

- Copy of MR-O-940 report
- Copy of CMSNet Program Eligibility screen print (reflecting program eligibility on that date of service in another county)
- Copy of the Healthy Families Meds Inquiry Screen
- Copy of any other applicable supporting documentation

State Regional Office staff reviews and verifies the Memo to Correct MR-O-940 Report of Errors and supporting documentation for each error requesting correction.

If the error correction(s) is verified and approved by the State Regional Office staff the Regional Office will take the following steps:

- Forward a copy of the approved Memo to Correct MR-O-940 Report of Errors to the originating county for their records.
- Forward a copy of the Correction Transmittal, and all supporting documentation to CMS Fiscal Unit for adjustments.

If the error correction(s) is not approved by the State Regional Office staff the Regional Office will take the following steps:

- Return the original Memo to Correct MR-O-940 Report of Errors and supporting documentation with a denial explanation to the originating county for their records.
- Keep a copy of the MR-O-940 Correction Memo for your records.

If you have any questions regarding these procedures, please contact your State Regional Office Administrative Consultant or analyst.

ATTACHMENT A

MEMO TO CORRECT MR-O-940 REPORT ERRORS

To: _____
 CMS Branch or _____ Regional Office

Date: _____

From: _____ County

Re: **CALIFORNIA CHILDREN'S SERVICES (CCS) PROGRAM
 CORRECTION OF ERROR(S) ON MR-O-940 REPORTS**

Report Run Date: _____

Fund Code: DX= Diagnostic: TR= Treatment: TH= Therapy: HF TR= Healthy Families Treatment: HF TH= Healthy Families Therapy; 100% = 100% State Funds
 (County 59)

					For State Use Only						
Name of Child	Date of Birth	CCS#	Date(s) of Service	Amount	Charged in Error		Correct Charge		Denied		Approved
					Fund	County	Fund	County	Returned to County	Sent to EDS	
					Code		Code				

Comments: _____

Total Amount to be Adjusted **\$0.00**

Total State Approved Amount \$0.00

The expenditures identified above were charged in error. Please make the appropriate adjustments to show these expenditures in the correct fund code and county,

County Signature: _____ Date: _____
 Title: _____ Telephone Number: _____

FORSTATE USE ONLY	
Signature: _____	
Title: _____	
Telephone Number: _____	Date: _____

ATTACHMENT B

STATE OF CALIFORNIA-HEALTH AND HUMAN SERVICES AGENCY

DEPARTMENT OF HEALTH CARE SERVICES

CCS MR-O-940 CORRECTION TRANSMITTAL



Date: _____

To: EDS Cash Control Supervisor

From: _____

Address: _____

Room No: _____

Phone No.: _____ Provider Name: _____

Fax No.: _____

Provider No.: _____

Patient Name: _____ ID#: _____ Date of Service(s): _____

Instructions:

☐ Research and Return Findings

Status By: _____

☐ Submit Claims for Processing [Priority Process/Exception Billing/Special Handling] (Circle One)

On-Line Claims Correction (Must be on 12-Week Adjudicated Provider File or Suspense File-Attach

☒ Other See Below

Number of Pages Attached: _____

Additional Information/Background:

The following CCN (s) _____ was erroneously adjudicated from ----- County's ----- Expenditure. Therefore, please void the above CCN (s) _____ and re-process the attached corrected claim. Please let me know if you have any questions or need additional information. Thanks.

CCS Authorized Representative

EDS STATUS

EDS Log Assignment No.: _____

Today's Date: _____

Correspondence Specialist Named

Telephone No.

Fax No.