

## DEPARTMENT OF HEALTH SERVICES

714/744 P STREET  
SACRAMENTO, CA 95814

July 25, 1984

To: All County Welfare Directors

Letter No. 84-30

## PROOF OF ELIGIBILITY DOCUMENTATION FOR HOSPITALS

All County Welfare Directors (ACWD) Letter No. 84-12 informed you that pursuant to AB 1305 (Statutes of 1983, Chapter 819, Section 1) counties are required to provide a POE label or other documentation to establish eligibility for beneficiaries when requested by hospitals. This letter provides additional instructions for processing these POE requests and a copy of the provider bulletin for your information.

1. ACWD Letter No. 84-12 referred you to Section 51207, Title 22, CAC as a guide to the conditions under which a hospital could file a late POE claim. A further definition may be found in Section 70003, Title 22, CAC, which defines a hospital as a general acute care hospital.

No other providers are entitled to request or receive POE labels. For example, a physician who works for a hospital but bills separately for his/her services may not request or receive POE labels.

2. If the hospital utilizes a billing agent, the billing agent may submit requests for labels provided that (a) each request is accompanied by a letter on hospital letterhead signed by an official authorized to act on behalf of the hospital, that certifies that the billing agent is empowered to act on behalf of the hospital and (b) the request contains a certification that all provisions of W&I Code, Section 14018.4 have been met.
3. Initially, hospitals may request POE from January 1983 through the current month. However, hospitals have been instructed that they can only request POE for January 1983 through August 1983 until September 1, 1984.

After that date, hospitals must request POE within one year of the month of service.

We request your cooperation in processing POE's for January 1983 through August 1983 as quickly as possible. These claims will require special handling, and will have to be submitted by the provider to the Department's Fiscal Intermediary Management Division by November 1, 1984. Claims received after that date will not be processed.

4. The authorization letter to hospitals has been revised. A copy of the new letter is attached.

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5. When issuing POEs for January 1983 through August 1983, counties may issue one authorization letter to a hospital for all months of service beyond the one year billing limit. This is a change from the original instruction in 84-12 which stated that one letter must be issued for each month of service. Since each claim exceeding the one year billing limit must be accompanied by a copy of the authorization letter in addition to the POE, hospitals should photocopy the letter as necessary.
6. A copy of the provider bulletin is attached for your information.

If you or your staff have any questions regarding this letter, please contact Shirley Deasy at (916) 445-1969.

Sincerely,

Original signed by

Caroline Cabias, Chief  
Medi-Cal Eligibility Branch

Attachment

cc: Medi-Cal Liaisons  
Medi-Cal Program Consultants

## PROOF OF ELIGIBILITY DOCUMENTATION FOR HOSPITALS

Hospitals may now request proof of eligibility (POE) from County Welfare Departments when attempts to obtain POE from beneficiaries are unsuccessful. This bulletin discusses the requirements and procedures for requesting POE under this new policy.

The change in POE policy became effective January 1, 1984, based on AB 1305, which added Section 14018.4 to the Welfare and Institutions (W & I) Code. W&I Code Section 14018.4 requires counties to provide proof of eligibility to hospitals that are unable to obtain POE from beneficiaries when services are provided and on one subsequent occasion.

Please note that this new law does not eliminate or replace W&I Code Section 14018.2, which allows billings to be submitted without proof of eligibility labels, as described in Inpatient/Outpatient Bulletin No. 35, dated January 1982.

## Requirements and Definitions

Hospitals may request POE within one year of the month of service provided the requirements of W&I Code Section 14018.4, stated above, have been met. Because of the delay in implementing AB 1305, however, hospitals may request POE for January 1983 through August 1983 until September 1, 1984.

Requests for POE must be made to the county in which the beneficiary resided at the time of service. To expedite processing, hospitals should submit lists of cases to the County Welfare Departments. Lists should include the following information:

- o Recipient Name
- o Recipient ID Number (for month(s) of service)

- o Social Security Number
- o Sex
- o Date of Birth
- o Address (current and at time of service, if known to be different)
- o Month(s) of Service

Absence of any of the above items may prevent verification of eligibility.

Each listing must be on hospital letterhead and contain a certification by an authorized hospital representative that all provisions of W&I Code, Section 14018.4 have been met. If the hospital uses a billing agent, the billing agent may submit requests for labels. Each request must be accompanied by a letter on hospital letterhead that certifies that the billing agent is empowered to act for the hospital. The request must also certify that all provisions of W&I Code, Section 14018.4 have been met. The counties have been informed of the requirements of this Section and will provide POE as quickly as possible.

For purposes of this Code Section, hospitals are defined as those facilities that meet the requirements of Section 70003, Title 22, California Administrative Code. If a hospital's status has changed from non-contract to contract hospital (or vice versa) for the period of service, the hospital must use the correct provider number for the date of admission. Please refer to the Contracted Services Section (Section 7) of your provider manual for further detail.

#### Submitting Claims

Hospitals must submit claims within two months of receipt of the POE. Claims for services provided September 1, 1983, and after must be submitted to CSC. Claims for services provided from January 1983 through August 1983 must be submitted to the Department of Health Services (DHS), Fiscal Intermediary Management Division, as instructed below. The exception is that claims for Redwood Health Foundation beneficiaries, regardless of date of service, must be submitted to DHS, Medi-Cal Operations Division.

Follow these instructions to submit claims.

- o All claims must be on original forms; no photocopies are acceptable.
- o Attach all documentation required to process the claim, e.g., Medicare EOMB, sterilization consent forms, operative reports, reports for "By Report" procedures, emergency certification, etc.
- o Do not complete a Claims Inquiry Form (CIF) even if the claim has been previously submitted and denied.
- o Both inpatient and outpatient claims may be accepted. Long Term Care claims will be accepted for distinct part hospital skilled nursing facilities only. No other types of claims are acceptable under the provisions of this law, e.g., pharmacy (form 30-1) or professional/supplier (form 40-1).
- o All claims will be subjected to the normal claims processing requirements.

Submit claims to CSC, or to DHS, Medi-Cal Operations Division, for services provided September 1, 1983 and after. Follow these instructions.

- o Attach the POE to an original claim; County Welfare Department authorization letters, described later in this bulletin, will not be supplied for services provided after September 1, 1983.
- o Code with a "1" in the Billing Limit box and state the month, day and year when proof of eligibility was received in the Remarks section of the claim, e.g., "Proof of Eligibility received on July 1, 1984." (See Provider Manual, page 2-8, Revision No. 65.)
- o Ensure that prior authorization obligations have been met where applicable, according to Section 51003, Title 22 of the California Administrative Code.
- If the claim involves California Childrens Service (CCS), Genetically Handicapped Persons Program (GHPP), or you are in the Fresno/Madera project area, the claim must be submitted to the appropriate office for processing. These offices will submit your claims to CSC for adjudication.

- Depending on the date of service, some hospitals may need PSRO certification. If so, the certification must be attached to the claim form. It will be necessary to submit two claims if the hospital stay overlaps a PSRO/TAR requirement period.

Submit claims for beneficiaries that are not on Redwood Health Foundation plan to:

Computer Sciences Corporation  
(Refer to your provider manual for the claims mailing address)

Send claims for Redwood Health Foundation beneficiaries to:

Department of Health Services  
Medi-Cal Operations Division  
Contract Operations Branch  
714 P Street, Room 1400  
Sacramento, CA 95814

Claims for January 1983 through August 1983 dates of service must be submitted by November 1, 1984. Any claims received after November 1, 1984, cannot be processed and will be returned to providers. The following instructions apply to these claims.

- o Attach the POE to an original claim.
- o Write "AB 1305" in the upper right hand corner of the claim form.
- o Code with an "8" in the billing limit box.
- o Mark the attachment box with an "X."
- o Attach a copy of the county authorization letter which authorizes billing beyond the one year billing limit. Figure 1 shows the a sample county authorization letter.

- o Ensure that prior authorization obligations have been met where applicable according to Section 51003, Title 22 of California Administrative Code.
  - If the claim involves California Children's Services (CCS), Genetically Handicapped Persons Program (GHPP), or you are in the Fresno/Madera project area, submit the claim to the appropriate office for processing. These offices will submit your claims for adjudication.
  - Depending on the date of service, some hospitals may need PSRO certification. If so, the certification must be attached to the claim form. It will be necessary to submit two claims if the hospital stay overlaps a PSRO/TAR requirement period.
  - If the service required a TAR, attach a copy of your original approved TAR. If you do not have an approved TAR, submit a new TAR with documentation, supporting medical necessity, to the local Medi-Cal Field Office. The TAR must have "AB 1305" written in the upper right hand corner of the form. The Field Office will review these TARs only for medical necessity.
- o Submit claims for beneficiaries that are not on the Redwood Health Foundation plan, with POE, authorization letter and other appropriate documentation as instructed above, by November 1, 1984, to:

Department of Health Services  
Fiscal Intermediary Management Division  
Provider Services Section  
714 P Street, Room 950  
Sacramento, CA 95814

Approved claims will be forwarded to CSC for processing and will appear on subsequent RAs.

- o Submit claims for Redwood Health Foundation beneficiaries by November 1, 1984, to:

Department of Health Services  
Medi-Cal Operations Division  
Contract Operations Branch  
714 P Street, Room 1400  
Sacramento, CA 95814

Dear \_\_\_\_\_:

Attached is a replacement POE only Medi-Cal card for (recipient's name) for the month(s) of \_\_\_\_\_. This POE was issued in accordance with Section 14018.4, Welfare and Institutions Code (AB 1305, Chapter 819, Statutes of 1983) and Section 50746(a)(4), Title 22 of the California Administrative Code, which authorizes county welfare departments to issue Medi-Cal cards more than one year after the month of service.

To ensure that these claims will be processed, write "AB 1305" in the upper right hand corner of the claim, code the billing limit box on the claim form with an "8", mark the attachment box on the claim with an "X" and indicate the date proof of eligibility was received in the Remarks section of the claim.

A copy of this letter, along with the patient's replacement Medi-Cal POE, must be attached to your completed claim form for the month of service. The completed claim form must then be submitted no later than November 1, 1984 to:

FOR NON-REDWOOD HEALTH  
FOUNDATION BENEFICIARIES:

FOR REDWOOD HEALTH FOUNDATION  
BENEFICIARIES:

Department of Health Services  
Fiscal Intermediary  
Management Division  
Provider Services Section  
714 P Street, Room 950  
Sacramento, CA 95814

Department of Health Services  
Medi-Cal Operations Division  
Contract Operations Branch  
714 P Street, Room 1400  
Sacramento, CA 95814

Should you have any questions regarding this matter, please contact the welfare department at \_\_\_\_\_.

Sincerely,

\_\_\_\_\_  
Medi-Cal Program Manager