

DEPARTMENT OF HEALTH SERVICES

714/744 P STREET
P.O. BOX 942732
SACRAMENTO, CA 94234-7320



(91b) 657-2941

January 4, 1995

TO: All Holders of the Medi-Cal Eligibility Procedures Manual

Letter No.: 140

REVISION TO PROCEDURES MANUAL--ARTICLE 14E (LETTER OF AUTHORIZATION/MC 180 PROCESS)

Ref.: All County Welfare Directors Letter No. 94-77

This letter transmits updated revisions to Procedures Manual, Article 14E, which describes requirements for issuance of Letter of Authorization (LOA)/form MC 180.

As you are aware, counties now issue a LOA to a beneficiary (to be given to providers) for billing purposes beyond the one-year limit. Specific conditions are provided in Title 22, California Code of Regulations, Section 50746, i.e., county administrative error.

Specific changes to the Letter of Authorization (LOA/form MC 180):

- 1) A new form MC 180 which replaces the need for counties to prepare a LOA on county letterhead and to generate a paper Medi-Cal card.
- 2) A new version of Procedures Article 14E; new LOA.
- 3) Nine new LOAs which specifically address the Supplemental Security Income/State Supplemental Payment (SSI/SSP) category to be used when SSI/SSP eligibility was approved for a retroactive period, but cards were not issued by the Department of Health Services (DHS).
- 4) If eligibility is established by Social Security Administration, the new form MC 180 does not require date of application, approval date, eligibility worker's name and number, and telephone number.
- 5) A number of examples describing extenuating circumstances have been added.
- 6) The requirement to provide Payment Systems Division with a current list of county staff who are authorized to sign a LOA has been removed.
- 7) The new LOA form will be individually numbered in order to reduce the potential for unauthorized use.

For county internal control purposes, we are recommending that counties maintain a listing of the designated county staff or position level authorized to sign a LOA. Additionally, LOA letter stock should be maintained in a secured area comparable to the current treatment of Medi-Cal card stock. You may order these new LOA/MC 180 forms from the DHS Warehouse through the normal forms ordering process.

This is the complete update of MEM procedures, Article 14E, 5th bullet, on page 14E-3, where we request counties to cross out any months/years on the form MC 180 that are not requested for Medi-Cal billings. It updates All County Letter No. 94-77 draft of the Procedures Manual.

ACTION REQUIRED

PROCEDURE REVISION

Article 14

Description

Pages 14E-1 through 14E-4

Procedures pertaining to processing Letter of Authorization of Medi-Cal for more than one year after date of service.

FILLING INSTRUCTIONS

Remove Pages

Insert Pages

Procedural Table of Contents
Article 14, page PTC-14

Procedural Table of Contents
Article 14, page PTC-14

Article 14 Table of Contents
page 1 & 2

Article 14 Table of Contents
page 1 & 2

Article 14
14E-1 through 14E-4

Article 14
14E-1 through 14E-4

If you have any questions, please contact Craig Yagi of my staff at (916) 657-1182.

Sincerely,

Original signed by
Frank S. Martucci, Chief
Medi-Cal Eligibility Branch

Enclosures

MEDI-CAL ELIGIBILITY MANUAL - PROCEDURES SECTION

- Article 14 -- MEDI-CAL CARD USE AND ISSUANCE
- 14A -- COUNTY ISSUANCE OF MEDI-CAL IDENTIFICATION CARD, MC 301 AND MC 301 RED
- 14B -- HANDLING OF SUPPLEMENTAL SECURITY INCOME/STATE SUPPLEMENTARY PAYMENT MEDI-CAL CARD PROBLEMS
- 14C -- CHANGING COUNTY ID NUMBERS
- 14D -- VERIFICATION OF MEDI-CAL ELIGIBILITY
- 14E -- LETTER OF AUTHORIZATION/MC 180 PROCESS

MEDI-CAL ELIGIBILITY MANUAL - PROCEDURES SECTION

Article 14 -- MEDI-CAL CARD USE AND ISSUANCE

14A -- COUNTY ISSUANCE OF MEDI-CAL IDENTIFICATION CARD, MC 301 AND MC 301 RED

1. Obtaining Blank Identification Cards (MC 301 and MC 301 RED)
2. Authorizing Issuance of MC 301 and MC 301 RED)
3. Preparation of Medi-Cal Card (MC 301 and MC 301 RED)
4. Recording and Reporting the Issuance of MC 301 and MC 301 RED
5. Voiding MC 301s and MC 301 REDs
- 6, 7. Summary Reporting
8. Reporting Coding

14B -- HANDLING OF SUPPLEMENTAL SECURITY INCOME/STATE SUPPLEMENTARY PAYMENT MEDI-CAL CARD PROBLEMS

1. Routine Supplemental Security Income/State Supplementary Payment Medi-Cal Card Problems
2. Handling of Supplemental Security Income/State Supplementary Payment Medi-Cal Card Problems
3. CID Medi-Cal Card Mailing Address for Supplemental Security Income/State Supplementary Payment Eligibles
4. State Data Exchange Data Fields Used for Supplemental Security Income/State Supplementary Payment Medi-Cal Cards
5. State Conversion Logic, Federal County Code to State County Code
6. State Conversion of Master File Type Code to State Aid Code
7. State Data Exchange Medi-Cal Eligibility Determination.
8. Use of Form MC 5
9. Use of County Staff for New Procedures
10. Periodic Supplemental Security Income/State Supplementary Payment Medi-Cal Card Stuffer

MEDI-CAL ELIGIBILITY MANUAL - PROCEDURES SECTION

14C -- CHANGING COUNTY ID NAMES

14D -- VERIFICATION OF MEDI-CAL ELIGIBILITY

A. Medi-Cal Providers

B. General Acute Care Hospitals and Licensed Primary Care Clinics (PCCs)

14E -- LETTER OF AUTHORIZATION/MC 180 PROCESS

1. Letter of Authorization/MC 180 Issuance for SSI/SSP recipients only
2. Definition of Administrative error
3. Administrative error procedures
4. Redesignated LOA (MC 180)
5. Form MC 180

MEDI-CAL ELIGIBILITY MANUAL - PROCEDURES SECTION

14E--LETTER OF AUTHORIZATION/MC 180 PROCESS

The county welfare department shall not issue an Letter of Authorization (LOA) original numbered MC 180, except as provided by in Section 50746. Section 50746 limits issuance of LOA/MC 180 to those Medi-Cal beneficiaries whose Supplemental Security Income/State Supplementary Payment (SSI/SSP) eligibility was approved but Department of Health Services (DHS) did not issue cards, involved in court actions, state or other administrative hearing decisions, county determination of administrative error, and State DHS request.

1. LETTER OF AUTHORIZATION/MC 180 ISSUANCE FOR SSI/SSP RECIPIENTS ONLY

The period of SSI/SSP-based Medi-Cal eligibility begins with the month SSI/SSP cash assistance is effective. However, DHS is unable to automatically issue cards for the period between the effective month of eligibility (if it is prior to current month) and the month the SDX update is received. Since the person was entitled to a card but the Department failed to issue one, this is considered a state administrative error.

Before issuing an original numbered LOA/MC 180 to an SSI/SSP recipient who requests one more than one year after the date of service, the county must ensure that the claimant was eligible for SSI in the month for which a card is being requested. Since Medi-Cal Eligibility Data Systems (MEDS) does not go back more than 15 months, the burden of proof will fall upon the claimant, i.e., the claimant must obtain from Social Security proof of his/her SSI eligibility for the month in question. (See Section 50167(a)(1)(B) for examples of acceptable proof of SSI eligibility.)

2. DEFINITION OF ADMINISTRATIVE ERROR

As mentioned above, one of the reasons listed in Section 50746 for issuance an LOA/MC 180 for billing beyond the one-year limit is if an administrative error occurred. An administrative error is defined as an erroneous action, or a required action not taken, which resulted in the failure of the County or the State to provide a Benefits Identification Card along with documenting eligibility on MEDS within one year of the date of service when the eligibility determination has been conducted in accordance with state regulations, policy and procedures.

Some examples of acceptable administrative errors include the following:

- o Failure of the county welfare department to approve a Medi-Cal application by a potentially eligible individual due to legitimate errors made in the course of determining eligibility (e.g., an applicant was denied but should have been approved and didn't file an appeal or; an applicant's file was misplaced and eligibility was never determined).
- o Failure to issue a Medi-Cal card within one year from the date of service because the county system or MEDS shows a incorrect beneficiary address for the month of request.
- o Failure to issue a Medi-Cal card within one year from the date of service because either the county never sent the original MC 177 to the State, or the original MC 177 is in the case file with an error slip from the State because it was not corrected and returned to the State for processing of Medi-Cal card. Administrative errors for this reason will cease to exist once the on-line system is fully implemented.

MEDI-CAL ELIGIBILITY MANUAL - PROCEDURES SECTION

- o The county issues a card within one year, but it is coded incorrectly and cannot be used to bill for the services rendered (e.g., the card/label shows a Medically Indigent/Long-Term Care (53) aid code and the applicant received and is eligible for acute care services in that month).

It is not possible to list all examples of an administrative error. If the county is unsure whether a particular situation meets the definition of an administrative error, the Medi-Cal Eligibility Branch should be contacted for clarification.

3. ADMINISTRATIVE ERROR PROCEDURES

Whenever an administrative error occurs, it must be documented and described fully in the case file as soon as possible after the error has occurred.

Counties must take precautions to ensure that case-processing delays which are the result of routine errors in filing, photocopying, etc., do not contribute excessively to the incidence of administrative errors.

It is usually a request from a beneficiary for an LOA/MC 180 to pay for bills more than one year after the date of service that creates the need for an administrative error determination. However, there are situations, as limited by Procedures Section 14D, in which a request from an acute care hospital or primary care clinic can generate an administrative error determination. Participating providers can easily obtain eligibility information on any Medi-Cal patient up to thirteen months (current month and previous twelve months) through the Automated Eligibility Verification System. This should help providers obtain eligibility information timely and thereby avoid having to request an administrative error determination at a later date.

Should the county find that an administrative error has occurred, an original numbered LOA/MC 180 must be completed with the "administrative error" line checked, a description of the administrative error given, and the appropriate case information provided (Medi-Cal ID number, application date, eligibility worker's name, phone, and etc.). This letter must bear the original signature of the county authorized staff person. Photocopies will not be accepted.

A category exists to accommodate an SSI decision when an SSI-based Medi-Cal card is to be issued beyond the one-year limit.

The beneficiary should request a Medi-Cal LOA/MC 180 within six months of the decision or four months from date of SDX update. Exceptions due to unusual circumstances should be referred to Medi-Cal Eligibility Branch.

If the county finds that an administrative error does not exist in a particular situation, but extenuating circumstances exist beyond the beneficiary's or the county's control, the county may contact the Medi-Cal Eligibility Branch for assistance. Please be advised that billing problems are not by themselves considered an extenuating circumstance. Furthermore, beneficiaries who are sent to collections after providing a Medi-Cal card should be told that Welfare and Institutions Code Section 14019.4 precludes a provider from billing the beneficiaries in these situations.

An example of extenuating circumstances beyond a beneficiary's control would be a medical condition that severely impaired his/her functioning. Additionally, the beneficiary would need to describe how this reduced function prevented him/her from giving the provider(s) the necessary documentation of his/her Medi-Cal eligibility.

MEDI-CAL ELIGIBILITY MANUAL - PROCEDURES SECTION

The Medi-Cal Eligibility Branch will evaluate whether a LOA/MC 180 can be issued pursuant to Title 22, CCR, Section 50746 (a)(4), which provides for a LOA/MC 180 to be issued by DHS request. The procedure to seek DHS authorization for issuance in these cases is as follows:

- o The request must be in writing on county letterhead;
- o It must list chronologically the sequence of events in the processing of the case and the circumstances surrounding the error;
- o It must carry the original signature of a County Welfare Department Director or his/her DHS-approved designee (photocopied signatures will not be accepted); and
- o The request must be accompanied by an original LOA/MC 180 for each provider. However, in the event that one provider is billing for services for more than one month, one original LOA/MC 180 is sufficient.
- o To insure proper use of this form please cross out any months/years that are not being requested or not being used on the LOA for Medi-Cal billings.

In the event that DHS, upon consideration of the request authorizes issuance of a LOA/MC 180, the LOA(s) will be signed by an authorized DHS staff person and returned to the county.

Claims for reimbursement shall be made in the same manner as indicated above for administrative errors.

4. REDESIGNED LOA (MC 180)

The LOA/MC 180 is basically an updated version of the Administrative Error Letter. A number of elements have been added which expand its scope and provide for more effective claims processing and record-keeping.

- o The date of application, the date the case was approved, the EW's name and number, and a phone number must be provided on each LOA/MC 180 (except in cases of SSI card issuance).
- o A space has been designated for the county to describe the administrative error. Such description should be a narrative which fully explains the error rather than two or three words (phrases like "procedural error", "MEDS error", and "card not issued" are not sufficient). LOAs/MC 180 submitted to the claims payer without a satisfactory description of the administrative error may be returned to the county for additional information.
- o A note has been added to remind the beneficiary that a LOA/MC 180 will be needed for each provider.
- o The LOA/MC 180 also contains a section at the bottom which instructs providers to send over-one-year claims to Electronic Data Systems Federal Corporation.

MEDI-CAL ELIGIBILITY MANUAL - PROCEDURES SECTION

5. COPY OF LOA/MC 180 FORM

Letter of Authorization (must be on county letterhead)

(Beneficiary's name)
(Address - Street)
(Address - City)

Date: _____
Medi-Cal ID #: _____ - _____ - _____
Worker Name: _____
Worker Telephone #: _____ - _____ - _____
* Date of application _____
* Date of approval _____

Dear _____:

County use only:

REGARDING MEDI-CAL CARDS FOR _____
Month(s)

Attached are your Medi-Cal cards/labels for the above month(s). They are issued in accordance with Title 22, California Code of Regulations (CCR) Section 50746, which permits county welfare departments to issue Medi-Cal cards to beneficiaries more than one year after the month of service for one of the following reasons:

- SSI/SSP eligibility was approved for a retroactive period but cards were not issued by the Department of Health Services.
- A court order requires that a card be issued.
- A State Hearing or other administrative hearing decision requires that a card be issued.
- The Department of Health Services requests that a card be issued. (Original signature of an authorized DHS staff person: _____).
- An Administrative Error has occurred.
(Description) _____

Please give your doctor or other medical provider this letter, along with your Medi-Cal label(s) for the month(s) of service. The Medi-Cal program cannot pay your provider's bill unless this original letter is submitted with the bill and your Medi-Cal label(s) for this month(s) of service.

If you are going to give a Medi-Cal label to more than one doctor or other provider, please contact us at _____. We will send you more of these letters for each doctor or other provider's you give a label to.

If you have any questions, please call your worker.

Sincerely,

(Original Signature of Authorized County Administrative Staff)

Instruction to Provider

Submit this letter, along with the claims, to:

EDS Federal Corporation
P.O. Box 13029
Sacramento, CA 95813-4209

* Date of application and approval are not needed when eligibility is established by the Social Security

