STATE OF CALIFORNIA—HEALTH AND WELFARE AGENCY

GEORGE DEUKMEJIAN, Governor

DEPARTMENT OF HEALTH SERVICES
714/744 P STREET
SACRAMENTO, CA 95814

March 26, 1987

TO: All County Welfare Directors
All County Administrative Officers
All County Medi-Cal Coordinators

Letter: 87-12

SUBJECT: COST AVOIDANCE PHASE I: BENEFICIARY LISTS INDICATING NO RESPONSE

All County Welfare Director Letter (ACWDL) 86-40, dated August 4, informed counties that Federal Regulation, 42 CFR 433.139 and State Law require California to use Cost Avoidance as the method for processing provider claims when potential third party liability exists for Medi-Cal beneficiaries. The Department of Health Services (DHS) is implementing Cost Avoidance in three phases.

Phase I consists of cost avoiding services provided to Medi-Cal beneficiaries enrolled in specific private Prepaid Health Plans or Health Maintenance Organizations (PHP/HMO) in addition to the plans previously cost avoided (Kaiser, CHAMPUS, Ross Loos). To identify this group, DHS mailed 104,000 Health Insurance Questionnaires to Medi-Cal beneficiaries to verify their PHP/HMO status. The results of this mailing were transmitted to counties in Other Health Coverage (OHC) Indicator Reports mailed December 1986 and February 1987, for use in correcting OHC indicators on MEDS.

Approximately 9,200 beneficiaries did not respond to the health insurance questionnaire. A list of the nonrespondent beneficiaries in your county is included with the Director's copy of this letter. This list should be distributed to the appropriate county staff and used to reassess the OHC status of each beneficiary at redetermination. Refer to the Medi-Cal Eligibility Manual, Procedures Section 15A, Other Health Coverage for OHC procedures. This report contains the following data:

- County District Office
- Eligibility Worker
- Case Name
- Beneficiary Name
- Beneficiary Social SEcurity Number
- Beneficiary Medi-Cal I.D. Number
- Beneficiary Birthdate

If you have any questions regarding this matter, please contact Mr. Jack Byrd at (916) 739-3262.

Sincerely,

Original signed by

Frank S. Martucci, Chief
Medi-Cal Eligibility Branch

Enclosure

Expiration Date: September 30, 1987