June 5, 1990
Letter No.: 90-49

To: All County Welfare Directors
    All County Administrative Officers

SUBJECT: OTHER HEALTH COVERAGE - REPLACEMENT MEDI-CAL CARDS

REFERENCE: ALL COUNTY WELFARE DIRECTORS LETTERS 87-44 AND 88-92

This letter is to reiterate procedures counties are to use when changing Other Health Coverage (OHC) codes and issuing replacement Medi-Cal cards needed because OHC coding is incorrect.

Background:

The Department is receiving an increasing number of telephone calls from recipients who have been advised by county staff that the county is unable to correct erroneous OHC codes and to issue replacement cards for current or prior months. Some recipients have been told that state staff will make the corrections and issue replacement cards. It is, however, the county’s responsibility to update MEDS with the correct OHC code and to issue current and past month replacement cards if requested by the recipient. State staff do not have the ability to issue replacement cards except in very limited circumstances for SSI/SSP recipients.

California Code of Regulations Sections 50743, 50745 and 50746 define the circumstances under which counties are required to issue current or past month Medi-Cal cards. These regulations specifically instruct counties to issue current or past month cards to eligible recipients, including SSI/SSP recipients, in need of replacement cards for cards with erroneous data. Under these regulations, counties are required to issue replacement Medi-Cal cards when the recipient indicates that the OHC code on the card is erroneous or that the insurance coverage has terminated or never existed.

In most situations, the recipient is requesting deletion of the OHC code because the insurance has terminated or never existed. As described below, one MEDS transaction is required to delete the OHC code regardless of the source or type of the code. If the recipient is requesting that the code be changed to another code and the erroneous code is a cost avoidance code assigned by state staff, two MEDS transactions are required. In either
situation, the recipient's MEDS record should be updated for each month affected to insure proper claims processing, and cards issued for any months requested by the recipient.

Below are the procedures counties should follow to correct coding errors and to issue replacement cards.

Procedures:

1. Verification

In most cases it is not necessary for counties to obtain verification of the change or termination of insurance coverage. Counties shall accept the word of the recipient or the recipient's representative as justification for deleting or changing the OHC code, unless they have information to the contrary.

2. Deleting Any County- or State-Assigned OHC Code

If the recipient indicates that the insurance has been discontinued or that coverage never existed, counties may use an EW15, EW20, EW30, or EW55 transaction, online or batch, to delete the OHC code when the recipient is active on MEDS for the month(s) in question. An "O" (alpha) OHC code is required on the input transaction if the OHC code on MEDS is a cost avoidance code. This will replace the OHC code on MEDS with an "N". If the OHC code on MEDS is a non-cost avoidance code, an "N" OHC code is required on the input transaction.


Note: The source of the OHC code is found in the OHC Source field on the Pending Medi-Cal and Miscellaneous screen (INQP). A "C" or blank indicates county input, a "T", "R", or "H" indicates State input.

When the recipient indicates a change of insurance carrier or coverage and the initial OHC code was assigned by the county or is a non-cost avoidance code assigned by the State, counties may use an EW15, EW20, EW30, or EW55, on-line or batch, to change the code. The corrected OHC code is required on the input transaction. No other steps are needed.
4. **Changing a State-Assigned Cost Avoidance OHC Code/(Non-SSI/SSP)**

When the recipient, who is not SSI/SSP, reports a change in insurance carrier or coverage and the current OHC code is a cost avoidance code assigned by the State, a two-step process is currently required to assign a new OHC code. First, the incorrect OHC code must be removed by using an EW15 with an "O" (alpha) in the other coverage field and the card issuance location of "MEDS". Second, the correct OHC code must be added by using a second EW15 with the correct OHC code and a card issuance location of "LOGS" or an online EW30 with the new OHC code. When two EW15s are used, the EW15 with the OHC code of "O" must be done first. The replacement card will then show the correct OHC code.

If the recipient needs a card immediately, counties should use an EW15 with an "O" (alpha) and print a card on the county printer. The card will show an "N" OHC code. A follow-up EW15 with card issue location of "LOGS" or an EW30 with the new other coverage code must be done on the same day so that the correct other coverage code will update MEDS and be passed to the fiscal intermediary.

5. **Changing a State-Assigned Cost Avoidance Code/(SSI/SSP)**

If the SSI/SSP recipient indicates a change in the cost avoided insurance coded by the State, counties should use an EW55 with an "O" (alpha) in the OHC field and the card issue location of "LOGS". If the card is to be mailed, a second EW55 should be done on the same day with the correct OHC code and card issuance location of "MEDS".

If the card is to be printed in the county, the county should use an EW55 with an "O" and print the card on the county printer. A follow-up EW55 with the new other coverage code must be done with a card issue location of "LOGS". The EW55 with the OHC code "O" must be done first.

Department staff are currently modifying the MEDS input process to eliminate the two step requirements described in items 4 and 5. Revised procedures will be released when the modification is operational.
If you have any questions regarding the MEDS input, please contact your MEDS liaison. Any other questions should be directed to Shar Schroepfer of the Health Insurance Unit at (916) 739-3275, ATSS 497-3275.

Sincerely,
ORIGINAL SIGNED BY

Frank S. Martucci, Chief
Medi-Cal Eligibility Branch

cc: Medi-Cal Liaisons
Medi-Cal Program Consultants
MEDS Liaisons