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

DAVID MAXWELL-JOLLY
Director

ARNOLD SCHWARZENEGGER
Governor

December 6, 2010

TO: ALL COUNTY WELFARE DIRECTORS
ALL COUNTY ADMINISTRATIVE OFFICERS
ALL COUNTY MEDI-CAL PROGRAM SPECIALISTS/LIAISONS
ALL COUNTY HEALTH EXECUTIVES
ALL COUNTY MENTAL HEALTH DIRECTORS

Letter No.: 10-26

SUBJECT: EVALUATIONS OF *CRAIG V. BONTÁ* CASES WITH MEDI-CAL ELIGIBILITY DATA SYSTEM GENERATED TERMINATIONS AND THE BENEFICIARY REIMBURSEMENT PROCESS RELATED TO THOSE CASES

The purpose of this letter is to:

- Provide background regarding potentially erroneous Medi-Cal Eligibility Data System (MEDS) generated *Craig v. Bontá* eligibility terminations.
- Provide information regarding the reinstatement of *Craig v. Bontá* eligibility for individuals who were potentially terminated from *Craig v. Bontá* eligibility in error.
- Provide a copy of the Notice of Action sent to the individuals whose eligibility has been reinstated pending county review (Enclosure C).
- Provide instruction for evaluating fewer than 3,500 MEDS generated *Craig v. Bontá* terminations to identify any improper terminations.
- Provide a process for remedial actions, as they relate to *Craig v. Bontá* cases, improperly terminated by MEDS.

Medi-Cal Eligibility Division
1501 Capitol Avenue, MS 4607, P.O. Box 997417, Sacramento, CA 95899-7417
(916) 552-9430 phone, (916) 552-9477 fax
Internet Address: http://www.DHCS.ca.gov

- Provide information regarding the reimbursement process to be used for those beneficiaries improperly terminated from *Craig v. Bontá* eligibility based on the review required by this ACWDL.

- Transmit a copy of the Beneficiary Reimbursement Process (BRP) notice (Enclosure D). This notice will be used to inform improperly terminated beneficiaries of the reimbursement process.

BACKGROUND

The court order in the *Craig v. Bontá* lawsuit requires that clients discontinued from Supplemental Security Income/State Supplementary Payment (SSI/SSP) must have an SB 87 Medi-Cal eligibility redetermination completed before being discontinued from Medi-Cal. In early 2008, the Department of Health Care Services (DHCS) began conducting a review of MEDS logic for system generated *Craig v. Bontá* terminations. This review was initiated due to reports of some improper system generated terminations of Medi-Cal eligibility for *Craig v. Bontá* beneficiaries. The review identified circumstances of system generated terminations wherein DHCS could not be certain the required SB 87 Medi-Cal eligibility redeterminations were completed prior to termination. A *Craig v. Bontá* case that is terminated from Medi-Cal before all SB 87 redetermination requirements are met is considered an erroneous termination.

The potentially erroneous terminations were generated by MEDS based on county reporting of eligibility as:

- a Qualified Medicare Beneficiary (QMB);
- a Specified Low-Income Medicare Beneficiary (SLMB);
- an Ineligible (IE) member of a Share of Cost case; or
- a Responsible Relative (RR) member of a Share of Cost case.

This MEDS logic impacted *Craig v. Bontá* eligibility beginning in June 2003. Based on MEDS information as of August 13, 2008, there were 3,466 potentially erroneous *Craig v. Bontá* terminations statewide. Since the original data was run, some of these cases have been addressed. Our most recent run of this data identifies 3,388 cases that must be reviewed by the counties for potential erroneous terminations. The enclosed listing (Enclosure A) provides a county-by-county breakdown of the number of potentially erroneous *Craig v. Bontá* terminations identified based on the most recent run of this data.

On July 9, 2008, DHCS installed changes to MEDS logic to stop system generated terminations of *Craig v. Bontá* eligibility when a county reports eligibility in the following categories:

- QMB eligibility;
- SLMB eligibility;
- Eligibility as an IE member of a Share of Cost case;
- Eligibility as an RR member of a Share of Cost case.

COUNTY REVIEW OF A1/A2 TERMINATED *CRAIG V. BONTÁ* CASES

Counties are required to review all A1/A2 terminated *Craig v. Bontá* cases to determine if a proper SB 87 redetermination was completed prior to the A1/A2 termination of the case. For information on the proper procedure for completing an SB 87 redetermination see DHCS ACWDL 03-24. The findings from this review must be reported to DHCS so that proper remedial action can be taken if necessary. The results will be reported on an Excel spreadsheet that will be sent to counties. To begin the process, each county policy liaison will receive a list of beneficiaries, which were potentially erroneously terminated in their county, on an electronic reporting spreadsheet sent by secure email.

An example of a completed spreadsheet is enclosed (Enclosure B). The county must answer the following questions on the spreadsheet:

- Was an SB 87 redetermination completed for the *Craig v. Bontá* eligibility termination identified in Column D?

- If an SB 87 redetermination was completed, is the listed *Craig v. Bontá* termination month/year correct based on the county issued NOA associated with the SB 87 redetermination?

- If an SB 87 redetermination was completed and the listed termination month/year is not appropriate based on the county issued NOA associated with the SB 87 redetermination, what is the appropriate termination month/year for the *Craig v. Bontá* eligibility?

Based on the outcome of the county reviews the beneficiaries can be separated into three groups. Those groups consist of individuals for whom:

- **A proper SB 87 redetermination was completed at the time of the A1/A2 terminations in MEDS.** Report this information on the blank electronic reporting spreadsheet that will be transmitted with the county specific list of beneficiaries. If it is determined that a proper SB 87 redetermination was completed at the time of the A1/A2 termination in MEDS, then no further action is needed unless the individual was reinstated on July 1, 2009. If the individual was reinstated on July 1, 2009, then an SB 87 redetermination must be completed before the *Craig v. Bontá* eligibility established on July 1, 2009, can be terminated.

- **No proper SB 87 redetermination was completed at the time of the A1/A2 terminations in MEDS.** Report this information on the electronic reporting spreadsheet that will be transmitted with the county specific list of beneficiaries. These individuals may have a period of time for which they will be eligible for reimbursement of Medi-Cal covered services in prior months. If the beneficiary case file shows a period of erroneous past ineligibility, then the county must send the enclosed BRP form and an MC-180 Letter of Authorization to the affected beneficiary. Further information about that process is provided below in the section entitled Beneficiary Reimbursement Process.

- **Benefits were terminated without a proper SB 87 redetermination, but subsequent eligibility was established.** Report this information on the electronic reporting spreadsheet that will be transmitted with the county specific list of beneficiaries. These individuals may have a period of time for which they are eligible for reimbursement of Medi-Cal covered services in prior months. If the beneficiary case file shows a period of erroneous past ineligibility, then the county must send the enclosed BRP form and an MC-180 Letter of Authorization to the affected beneficiary. Further information regarding the process is provided below in the section entitled Beneficiary Reimbursement Process.

NOTE: Cases in which County Welfare Departments (CWD) are unable to make a determination of whether the appropriate action was taken must be reported to DHCS to the attention of Mr. Antonio Weary by telephone at (916) 322-4863 or by email at thomas.weary@dhcs.ca.gov. These cases should be identified on the spreadsheet used to report case findings. For these situations counties must include information in the comment column explaining that the necessary review cannot be completed and why. Further information regarding the process is provided below in the section entitled Remedial Action Process.

For individuals that fall into the groups wherein:

- No proper SB 87 redetermination was completed at the time of the A1/A2 terminations in MEDS, or

- Benefits were terminated without a proper SB 87 redetermination, but subsequent eligibility was established;

the county must send the enclosed BRP notice (Enclosure D) along with an MC-180 Letter of Authorization form to the affected beneficiary no later than 90 days after the receipt of the spreadsheet identifying the cases subject to review. Counties must complete the MC-180 to reflect the dates of erroneous ineligibility determined by their review of potentially erroneously terminated cases. All claims for reimbursement of funds by eligible beneficiaries will be addressed through the enclosed BRP notice and is explained in this letter.

For example, if an individual, identified for county review, had an erroneous A1/A2 termination at the end of May 2005, and ongoing eligibility was reinstated from August 2005, forward, this beneficiary must be provided with an MC-180 for the months of June and July 2005, along with the enclosed beneficiary reimbursement notice.

DHCS must be notified, by return of an electronic copy of the completed spreadsheet (Enclosure B), of the case review results within 90 days of county receipt of the spreadsheet. Counties will report their findings using the attached spreadsheet and will return the document by secure email to Mr. Thomas Antonio Weary at thomas.weary@dhcs.ca.gov unless other arrangements are made with Mr. Weary for secure transmission of the data.

NOTE: Some individuals, identified for county review, may have had eligibility reinstated after the enclosed listing was created for a gap in coverage originally created by an improper A1/A2 termination. If the county review determines that there is now no gap in coverage caused by an improper A1/A2 termination the information is to be reported on the electronic spreadsheet.

DHCS REINSTATEMENT OF MEDI-CAL ELIGIBILITY

DHCS reinstated current ongoing *Craig v. Bontá* Medi-Cal eligibility on MEDS for A1/A2 terminated *Craig v. Bontá* beneficiaries beginning July 1, 2009, when the ineligible period through date indicated uninterrupted ineligibility. These beneficiaries were to remain in the appropriate *Craig v. Bontá* aid code until the county completed the required SB 87 Medi-Cal redetermination for ongoing eligibility and reported the result to MEDS.

DHCS will reinstate current ongoing *Craig v. Bontá* eligibility, as appropriate, based on the county reports. When ongoing *Craig v. Bontá* eligibility is established, DHCS will send the enclosed Reinstatement NOA (Enclosure C) to inform the individual that *Craig v. Bontá* eligibility has been reinstated. These beneficiaries may be eligible for reimbursement of out-of-pocket expenses paid in prior months for covered Medi-Cal services through the BRP. In cases where the county review of the case record determines that erroneous ineligibility exists due to an improper A1 or A2 termination, counties must complete an MC-180, identifying all months of erroneous ineligibility, and send it to the beneficiary along with the BRP notice, as explained above, so that beneficiaries may claim out-of-pocket expenses paid for Medi-Cal covered services incurred during the period of erroneous ineligibility.

CHANGES IN THE REPORTING OF SB87 REDETERMINATIONS TO MEDS

Since MEDS no longer terminates *Craig v. Bontá* Medi-Cal eligibility based on county reporting of eligibility as a QMB, a SLMB, or a spend down only member of a SOC case, counties will need to use a new process for updating MEDS when an SB 87 redetermination has been completed and the client is not eligible for any Medi-Cal program other than QMB or SLMB (i.e., there is no regular Medi-Cal eligibility). When that occurs, counties will need to report a Medi-Cal application denial to MEDS in order to terminate the *Craig v. Bontá* Medi-Cal eligibility. Since some county consortiums may be concerned about using an existing Application Flag and Denial Reason in their consortium system, when the client does have QMB or SLMB eligibility, MEDS will be changed to accept a new Application Flag value of Y, indicating an SB 87 Ex Parte Medi-Cal Redetermination, and a Denial Reason value of X, indicating ineligible for any Medi-Cal program other than QMB or SLMB. Those MEDS changes are planned to be installed in September, 2010. Counties will be notified by a MEDS change cycle letter once the changes are installed. Until those new values are available, counties should use an AP18 transaction with an Application Flag value of P, indicating a Medi-Cal application, and a Denial Reason value of G or H, indicating excess resources or no linkage, to terminate *Craig v. Bontá* Medi-Cal eligibility when the SB 87 Ex Parte Medi-Cal Redetermination is completed and the client is not eligible for regular Medi-Cal.

BENEFICIARY REIMBURSEMENT PROCESS (BRP)

The BRP is detailed on the BRP Notice enclosed with this letter (Enclosure D). The purpose of the notice is to inform individuals, whose *Craig v. Bontá* Medi-Cal eligibility was terminated in error based on an improper A1 or A2 termination in MEDS, that they may be eligible for reimbursement of expenses paid to Medi-Cal providers for Medi-Cal covered services during an erroneous period of ineligibility. The notice lists the criteria for receiving reimbursement. The criteria include:

- The expense qualifies under the Beneficiary Reimbursement Process.
- The medical or dental service was provided during the time period shown on the MC-180 Letter of Authorization form.
- Claims for Medi-Cal covered service(s) on or after February 2, 2006, must have been rendered by a provider who at the time the service(s) was (were) rendered was an active Medi-Cal enrolled provider.
- The individual submits a Beneficiary Reimbursement claim within the time parameters listed on the BRP Notice.

The BRP notice instructs the individual to contact his or her provider and show the provider the letter and the attached MC-180 Letter of Authorization form and attempt to have the provider reimburse him or her directly.

REMEDIAL ACTION PROCESS

The following are steps DHCS and CWD have taken or will take to address *Craig v. Bontá* cases erroneously terminated based on an improper A1/A2 termination in MEDS:

- DHCS reinstated Medi-Cal eligibility beginning in the month of July, 2009, if MEDS showed the ineligible period through date indicated uninterrupted ineligibility due to an A1/A2 termination. In July, 2009, DHCS sent the Reinstatement NOA (Enclosure C) to inform the individual that *Craig v. Bontá* eligibility had been reinstated. DHCS will send a list of all *Craig v. Bontá* individuals reinstated on July 1, 2009, to county policy liaisons via secure email.
- DHCS will forward Medi-Cal policy liaisons the list of individuals potentially erroneously terminated from *Craig v. Bontá* eligibility based on an improper A1/A2 termination in MEDS. This list will be forwarded by secure e-mail. Counties should contact Mr. Thomas Antonio Weary at (916) 322-4863 if they are unable to receive secure e-mail.

- Counties will review the identified cases to determine whether a proper SB 87 redetermination was completed (including proper notice) prior to the A1/A2 Medi-Cal termination in MEDS.

- Counties will report to DHCS the results of their review including information about those cases in which no SB 87 redetermination was completed or cases in which an SB 87 redetermination was completed but the *Craig v. Bontá* eligibility termination should not have occurred or the termination date on MEDS is incorrect. This report is due to DHCS by secure e-mail no later than 90 days after the receipt of the spreadsheet identifying the cases subject to review.

- Cases terminated without a proper SB 87 redetermination (including proper notice), or otherwise terminated from *Craig v. Bontá* eligibility when they should not have been, are deemed to be erroneous terminations. Counties must report their findings using the enclosed spreadsheet and return the document by secure email to Mr. Thomas Antonio Weary at thomas.weary@dhcs.ca.gov unless other arrangements are made with Mr. Weary for secure transmission of the data.

- CWD will send the enclosed BRP notice (Enclosure D), and a completed MC-180 Letter of Authorization, to individuals determined to have a past period of erroneous ineligibility, and will report that information on the electronic spreadsheet no later than 90 days after the receipt of the spreadsheet identifying the cases subject to review.
- Counties will complete the required SB 87 Medi-Cal eligibility redetermination for beneficiaries, whose ongoing eligibility is reinstated (or whose eligibility was reinstated on July 1, 2009), send the appropriate NOA when the redetermination is finished, and report the redetermination results to MEDS, so that the *Craig v. Bontá* eligibility is properly terminated, or other ongoing eligibility is established when that is the appropriate action.

- If DHCS has reinstated *Craig v. Bontá* eligibility to an individual, the beneficiary will remain in the appropriate *Craig v. Bontá* aid code until the county completes the required SB 87 Medi-Cal eligibility redetermination and reports the results to MEDS.

If you have any questions regarding this ACWDL please contact Mr. Thomas Antonio Weary at (916) 322-4863 or by email at thomas.weary@dhcs.ca.gov.

Original Signed By

René Mollow, MSN, RN, Chief
Medi-Cal Eligibility Division

DEPARTMENT OF HEALTH CARE SERVICES
2003-2008 CRAIG A1/A2 TERMINATIONS

ALAMEDA	240
AMADOR	2
BUTTE	24
CALAVERAS	1
COLUSA	3
CONTRA COSTA	127
DEL NORTE	2
EL DORADO	8
FRESNO	38
GLENN	3
HUMBOLDT	3
IMPERIAL	6
KERN	75
KINGS	4
LAKE	8
LASSEN	1
LOS ANGELES	1,240
MADERA	7
MARIN	7
MENDOCINO	6
MERCED	30
MONO	1
MONTEREY	41
NAPA	14
NEVADA	2
ORANGE	146
PLACER	19
PLUMAS	3
RIVERSIDE	137
SACRAMENTO	137
SAN BENITO	4
SAN BERNARDINO	127
SAN DIEGO	142
SAN FRANCISCO	173
SAN JOAQUIN	29
SAN LUIS OBISPO	10
SAN MATEO	72
SANTA BARBARA	23
SANTA CLARA	147
SANTA CRUZ	15
SHASTA	15
SISKIYOU	7
SOLANO	38
SONOMA	22
STANISLAUS	51
SUTTER	23
TEHAMA	3
TRINITY	6
TULARE	48
TUOLUMNE	5
VENTURA	64
YOLO	22
YUBA	7
STATEWIDE TOTAL:	3,388

Craig v. Bonta Termination Review --- Alameda County										
CIN	Last Name	First Name	Craig V Bonta Termination Month/Year	Ineligible Period Thru Month/Year	Was an SB 87 determination completed for the period of Craig v Bonta eligibility identified in Column D? (Y/N)	If Column G = Y, is the Craig v Bonta Termination Month/Year appropriate based on the county issued NOA? (Y/N)	If Column H = N, what is the appropriate Craig v Bonta Termination Month/Year based on the county issued NOA?	What period will be covered by the MC-180?	Date this review was completed	Comments
12345678A	CLIENT	JOHN	March-05	December-05	N			03/05-12/05	12/22/08	
12345678A	CLIENT	JOHN	May-08	December-08	N			05/08-12/08	12/22/08	
01234567A	CLIENT	SUE	April-07	June-08	Y	Y			12/22/08	
01245678A	SAMPLE	ALICE	February-08	April-08	Y	N	March-08	March-08	12/22/08	

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

NOTICE OF ACTION
REINSTATEMENT OF MEDI-CAL BENEFITS

THIS NOTICE PROVIDES INFORMATION ABOUT YOUR MEDI-CAL BENEFITS ONLY. IT DOES NOT PROVIDE INFORMATION ABOUT YOUR SUPPLEMENTAL SECURITY INCOME / STATE SUPPLEMENTAL PAYMENT (SSI/SSP) ELIGIBILITY OR PAYMENTS.

The Department of Health Care Services (DHCS) is sending you this Medi-Cal notice to let you know that you will have full-scope Medi-Cal eligibility reinstated, without a share of cost, beginning on July 1, 2009. You will remain eligible for Medi-Cal until the county determines that you are not eligible for Medi-Cal benefits. If the county decides that you are no longer eligible, you will get a new Notice of Action explaining the reason why you are not eligible. The county may need to contact you if more information is needed to correctly determine your eligibility for continuing Medi-Cal benefits. The county will re-evaluate your eligibility for Medi-Cal and send a separate notice once the evaluation has been completed.

You are receiving this notice because your Medi-Cal benefits may have been incorrectly terminated at some time in the past. You may be eligible for a reimbursement if you paid for Medi-Cal covered services during the period of time after your Medi-Cal stopped. You will get another notice about how to claim reimbursement for past medical expenses if you are eligible for a refund.

DO NOT THROW AWAY YOUR MEDI-CAL PLASTIC CARD. IF YOU HAVE LOST OR THROWN AWAY YOUR MEDI-CAL CARD, CONTACT YOUR COUNTY MEDI-CAL OFFICE FOR A REPLACEMENT.

If you have any questions regarding this notice, or your Medi-Cal coverage, please contact the California Department of Health Care Services, Medi-Cal Eligibility Division at (916) 552-9200.

NOTE: If you have (or will have) Medicare coverage, most of your drugs will be covered by your Medicare drug plan and not by Medi-Cal. For questions regarding Medicare Part D, call 1-800-MEDICARE or 1-800-633-4227.

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

DAVID MAXWELL-JOLLY
Director

ARNOLD SCHWARZENEGGER
Governor

Beneficiary Reimbursement Process Notice

MEDI-CAL MAY REIMBURSE YOU FOR MEDICAL OR DENTAL BILLS YOU PAID DURING THE TIME PERIOD(S) ON THE ATTACHED FORM

We are writing to tell you that your Medi-Cal was incorrectly stopped during the period listed on the attached MC-180 Letter of Authorization form. If you paid for medical or dental services during the time when your Medi-Cal was incorrectly stopped, you might be able to get a refund if all of the following are true:

1. You paid for medical or dental services provided during the time period(s) on the attached form. **Note:** If you received the service on or after February 2, 2006, it must have been from a health care provider who accepted Medi-Cal at the time of service.

2. You completely fill out and send a copy of a Beneficiary Reimbursement claim form and it is approved. To get a Beneficiary Reimbursement claim form, you must call or write to Medi-Cal at:

   California Department of Health Care Services
   Beneficiary Services Center
   P.O. Box 138008
   Sacramento, CA 95813-8008
   (916) 403-2007 TDD: (916) 635-6491

3. The Beneficiary Reimbursement claim is received within one year of the date you received the service(s) or within 90 days of the date on the top of this letter, whichever is later.

Medi-Cal will send you a notice telling you whether your claim is approved or denied. If it is denied, you will have the right to request a state hearing to review the decision.

REIMBURSEMENT PROCESS

Please contact your medical or dental service provider and show them this letter with the accompanying MC-180 Letter of Authorization form. The provider should pay you back directly. Getting reimbursed by the provider may help you obtain your reimbursement more quickly and eliminate the need for you to send in a Beneficiary Reimbursement claim form.

If the provider will not refund your money back please contact the California Department of Health Care Services, at the address above, to begin the reimbursement process. To help prevent any delay in timely processing of your Beneficiary Reimbursement claim, please include a copy of this letter.

IMPORTANT INFORMATION

This is not a notice about your Medi-Cal eligibility. If the county determines there should be a change in your Medi-Cal eligibility, you will get a separate notice. If you disagree with that decision, you will have the right to request a state hearing to review the decision.

A summary of the Beneficiary Reimbursement Process is also available at the following website:

http://www.dhcs.ca.gov/services/medi-cal/Pages/Medi-Cal_Conlan.aspx

DON'T FORGET TO KEEP ALL RECEIPTS FOR THE MEDICAL AND DENTAL CARE YOU RECEIVE.

Medicare/Medi-Cal Coverage

As of January 1, 2006, medications covered under Medicare Part D are not a covered benefit under the Medi-Cal Program, and are not eligible for reimbursement.
For questions about Medicare Part D contact 1-800-Medicare.