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Director

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



Edmund G. Brown Jr.
Governor

June 28, 2016

TO: ALL COUNTY WELFARE DIRECTORS Letter No.: 16-15
ALL COUNTY MEDI-CAL PROGRAM SPECIALISTS/LIAISONS
ALL COUNTY HEALTH EXECUTIVES
ALL COUNTY MENTAL HEALTH DIRECTORS
ALL COUNTY MEDS LIAISONS

SUBJECT: Out of State Project Report

The purpose of the Out-of-State Project (OSP) is to reduce erroneous Medicare Part A and Part B premium payment (Buy-In) from occurring and recovering those premiums paid by the State for Medi-Cal recipients no longer living in California.

Background

A Buy-In is the process whereby the Department of Healthcare Services (DHCS) receives approval from the Centers for Medicare and Medicaid Services to pay for Medicare Part A and/or Part B premiums for qualified dually eligible Medi-Cal recipients. The statutory authority for the Buy-In Program is §1843 of the Social Security Act.

Through the Beneficiary Data Exchange (BENDEX) and the State Data Exchange (SDX), DHCS' Enterprise Innovation Technology Services generates an Out-of-State (OS) Report from each file exchange when there are beneficiary OS address changes with the Social Security Administration (SSA). This occurs when a Medi-Cal recipient reports a change of address to SSA and/or receives Medicaid assistance in another state, and they qualify for Medicare state paid premium assistance. However, in most cases, the OS address is not on the Medi-Cal Eligibility Data System (MEDS). Therefore, when the beneficiary has permanently relocated and does not inform the county office of their move, Medi-Cal eligibility continues and so does the Buy-In assistance to pay premiums. In order to recover overpaid premium payments, DHCS must verify the Medi-Cal recipient meets the California residency requirement for Medi-Cal recipients on the county OSP report.

Buy-In Cost Avoidance Unit Responsibilities

On a monthly basis, the aforementioned BENDEX and SDX files are reviewed by a

Third Party Liability and Recovery Unit, Buy-In Cost Avoidance Unit (BICAU) analyst to identify and remove duplicate entries, and individuals who receive Supplemental Security Income and/or State Supplementary Payment assistance who do not also have a Medicare Savings Program (MSP) or other active county Medi-Cal case. The remaining beneficiaries are reviewed and flagged as potential OS residents through various data elements:

- OS address in MEDS records.
- OS address in SSA records.
- OS indicator in communication code field in MEDS INQB screen.
- OS termination code in MEDS INQM screen.
- Aid code 1E, 2E, 6E (Craig vs. Bonta) in MEDS.

The report will be sent to each county MEDS coordinator on approximately the 15th of each month following the month the report was created. Example: The report for the eligibility month of June 2015 (ending June 30, 2015) will be sent out by July 15, 2015.

Monthly Submission to Counties

County MEDS coordinators will receive a "Potential OS Case" report each month from BICAU (see Enclosure). This is a password protected report of potential OS beneficiaries classified by Client Identification Number and Case Description. The password is sent in a separate email. See Table on page 5, for the definitions of each case description along with the corresponding required actions.

Required County Actions

Upon receipt of the "Potential OS Case" report, the county will review each case to determine residency. The suggested steps for reviewing each case are as follows:

- 1) Review entire OS Case report to determine open cases.
 - a) Check MEDS INQM screen (Primary Eligibility screen)
 - b) Check MEDS INQ1-INQ5 Special Segment Eligibility screens. These screens show Qualified Medicare Beneficiary (QMB)/Specified Low-income Medicare Beneficiary (SLMB)/Qualifying Individual (QI-1) eligibility, among others.
 - c) If one or more screens listed in a) or b) has no termination date and "TERM-RSD-CD", it is considered "open."
- 2) Obtain verbal or written confirmation from the beneficiary regarding residency status. Record as "CA Resident" or "OS Resident" in column D of the Potential OS Case report (see Enclosure).

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- a) If residing in California:
 - 1. If any of the MEDS INQM/Q1-Q5 screens are terminated, eligibility has to be reviewed and reinstated.
 - 2. Mark the entry as "CA resident"
 - b) If residing **outside** of California:
 - 1. Terminate the **Medi-Cal** (QM) as well as the **QMB/SLMB/QI-1 eligibilities** (MEDS screens INQ1-Q5) sending a notice of action to the last known address.
 - 2. Mark entry as "OS Resident."
- 3) If unable to contact the beneficiary to determine residency status, proceed as if there is loss of contact.
- a) The county shall first attempt to contact the beneficiary as required in Welfare and Institutions Code, Section 14005.37(c). This shall include first, an ex parte review of information available to the county in the Statewide Automated Welfare System about the beneficiary or his or her family members, such as from a CalFresh file with more current contact information for the beneficiary, and then, if necessary, by attempting to contact the beneficiary via the Internet, by telephone, or by other means available to the county according to the beneficiary's preferred method of contact if a method has been identified.
 - b) If all required attempts at contact fail, the county shall send a notice of discontinuance, document the inability to make appropriate contact in the case file, and mark the entry as "Loss of Contact".

When terminating the individual's eligibility in MEDS, it is imperative that the Special Segment Medi-Cal eligibility, including MSP (QMB/SLMB/QI-1) eligibility be terminated for an OS resident. Medicare state paid premium assistance will continue if Special Segment Medi-Cal eligibility including MSP QMB/SLMB/QI-1 eligibility is not terminated for the correct reason, resulting in an overpayment of Medicare premiums. If the case is terminated at the county level, report the effective date of the termination in column E of the "Potential OS Cases" report (see Enclosure).

Each county will be given 30 days to complete the review of the Potential OS Case file. Please send the completed "Potential OS Case" report back to BICAU via email to Buyin@dhcs.ca.gov.

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If you have any questions regarding this letter, please contact Tammy Kaylor at (916) 327-0406 or by e-mail at Tammy.Kaylor@dhcs.ca.gov or BICAU at Buyin@dhcs.ca.gov.

Original Signed By

Sandra Williams, Chief
Medi-Cal Eligibility Division

Enclosure

Enclosure

Table

Case Description	Case Details	Required Action
Active Buy-In with Other OS Indicator	Active CA Buy-In with other OS flags like: <ul style="list-style-type: none"> • Non-CA title II address • Non-CA MEDS mailing address • Non-CA MEDS area code • Non-CA MEDS communication code, etc. 	<ul style="list-style-type: none"> • Determination of current residence address • If determined to be Out-of-State, termination of Primary, Special, and/or MSP eligibility in MEDS
CA Buy-In with OS address	Active CA Buy-In with: <ul style="list-style-type: none"> • Non-CA address • CA address in MEDS 	<ul style="list-style-type: none"> • Determination of current residence address • If determined to be Out-of-State, termination of Primary, Special, and/or MSP eligibility in MEDS
Closed Primary Eligibility with Open MSP Eligibility	Active CA Buy-In with: <ul style="list-style-type: none"> • Terminated Primary MEDS eligibility (MEDS - QM) • Open MSP eligibility (QMB/SLMB, MEDS Q1 to Q3) 	<ul style="list-style-type: none"> • Termination of MSP eligibility in MEDS
Craig vs Bonta	Active CA Buy-In with: <ul style="list-style-type: none"> • Aid codes 1E, 2E, and 6E 	<ul style="list-style-type: none"> • Determination of current residence address • If determined to be Out-of-State, termination of Primary, Special, and/or MSP eligibility in MEDS

Case Description	Case Details	Required Action	Count of Case #
Active Buyin with Other OS Indicator	Active CA buyin with other OS flags like: * Non-CA Title II address * Non-CA MEDS mailing address * Non-CA MEDS area code * Non-CA MEDS Communication Code, etc.	* Determination of current residence address; * If determined to be out-of-state, termination of Primary and/or MSP Eligibility in MEDS	0
CA Buyin with OS Address	Active CA buyin with: * Non-CA address * CA address in MEDS	* Determination of current residence address; * If determined to be out-of-state, termination of Primary and/or MSP Eligibility in MEDS	0
Closed Primary Elig. with Open MSP Elig	Active CA buyin with: * Terminated Primary Eligibility (Meds - QM) * Open MSP Eligibility (QMB/SLMB, MEDs - Q1 to Q3)	* Termination of MSP Eligibility in MEDS	0
Craig vs. Bonta	Active CA buyin with: * Aid codes 1E, 2E and 6E	* Determination of current residence address; * If determined to be out-of-state, termination of Primary and/or MSP Eligibility in MEDS	0
Grand Total			0

Potential Out-of-State (OS) Cases

County MEDS coordinators will receive a monthly email requesting the review of potential OS cases. An excel report will be attached that contains the potential OS cases. Each report will be password protected, and the password will be sent in a separate email.

*Case #	Case Description	County	**Residency Status	***Effective Date of Termination
XXXXXXXXXX	Active Buy In with Other OS Indicator	XX-County		
XXXXXXXXXX	Active Buy In with Other OS Indicator	XX-County		
XXXXXXXXXX	Active Buy In with Other OS Indicator	XX-County		
XXXXXXXXXX	Active Buy In with Other OS Indicator	XX-County		
XXXXXXXXXX	Active Buy In with Other OS Indicator	XX-County		
XXXXXXXXXX	Active Buy In with Other OS Indicator	XX-County		
XXXXXXXXXX	Active Buy In with Other OS Indicator	XX-County		
XXXXXXXXXX	Active Buy In with Other OS Indicator	XX-County		
XXXXXXXXXX	CA Buy In with OS address	XX-County		
XXXXXXXXXX	CA Buy In with OS address	XX-County		
XXXXXXXXXX	CA Buy In with OS address	XX-County		
XXXXXXXXXX	CA Buy In with OS address	XX-County		
XXXXXXXXXX	CA Buy In with OS address	XX-County		
XXXXXXXXXX	Closed Primary Elig with Open MSP Elig	XX-County		
XXXXXXXXXX	Closed Primary Elig with Open MSP Elig	XX-County		
XXXXXXXXXX	Closed Primary Elig with Open MSP Elig	XX-County		
XXXXXXXXXX	Closed Primary Elig with Open MSP Elig	XX-County		
XXXXXXXXXX	Closed Primary Elig with Open MSP Elig	XX-County		
XXXXXXXXXX	Craig vs Bonta	XX-County		
XXXXXXXXXX	Craig vs Bonta	XX-County		
XXXXXXXXXX	Craig vs Bonta	XX-County		
XXXXXXXXXX	Craig vs Bonta	XX-County		

*This column contains the Clinet Identification Number for each case.

**In this column please denote whether the Beneficiary is a California (CA) Resident or an Out-of State (OS) Resident.

***If the Beneficiary is terminated, please denote the effective date (month-year). If Beneficiary is not terminated, then leave blank.