

## DEPARTMENT OF HEALTH SERVICES

714/744 P STREET  
SACRAMENTO, CA 95814

August 4, 1986

TO: All County Welfare Directors  
All County Administrative Officers

Letter No.: 86-40

SUBJECT: MEDI-CAL BENEFICIARY OTHER HEALTH COVERAGE THIRD PARTY  
LIABILITY PROGRAM CHANGES

In a prior All County Letter (86-35) dated June 24, 1986 you were informed that Federal regulation, 42 CFR 433.139, requires that State Medicaid agencies (as of May 12, 1986) use the cost avoidance method of handling provider claims when potential third party liability exists. This method mandates that the state Medicaid agency establish the amount of the third party liability and pays only to the extent that payment allowed under the agency's payment schedule exceeds the third party's liability. The Department of Health Services (DHS) is currently modifying the Medi-Cal claims payment system to bring California into compliance. Because of the size and complexity of the Medi-Cal program and California's health insurance industry, the DHS has been granted an extension to phase in the modifications to the claims payment system. The implementation of cost avoidance of third party resources will be done in three phases with phase I to be implemented in November 1986.

Phase I of the cost avoidance system consists of expanding the existing system which now cost avoids Kaiser, CHAMPUS and Ross Loos to also cost avoid any Medi-Cal beneficiary enrolled in additional specific private prepaid health plans or health maintenance organizations (PHPs/HMOs). The current system does not require the completion of a health insurance questionnaire for private prepaid health plans and health maintenance organizations. Because the system uses the same other health coverage (OHC) code ("A") as it does for other types of health insurance, it is necessary to contact beneficiaries in order to verify whether or not the indicated insurance is for a PHP/HMO. In August, the DHS will begin mailing an abbreviated health insurance questionnaire (see attached) to selected beneficiaries. Beneficiaries must complete and mail the questionnaire by August 25, 1986. Beneficiaries who do not respond will automatically have a cost avoided PHP/HMO other health coverage indicator printed on their November 1986 Medi-Cal identification card. If a beneficiary informs his/her eligibility worker that he/she does not have OHC or that the OHC code on the Medi-Cal card is wrong, existing procedures should be used to correct the code and/or generate a corrected Medi-Cal card.

All County Welfare Directors  
All County Administrative Officers  
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Upon completion of beneficiary responses/non-responses to the questionnaire counties will receive data on which beneficiaries require a "P" or K, C, and R other health coverage indicator put on MEDS. The data will include the following elements: county district office, eligibility worker, beneficiary Medi-Cal ID number, social security number and other health coverage indicator. Counties may receive the data via tape or paper (record layouts attached). Please contact Shirlee Cisneros of Data Systems Branch by telephone at (916) 322-4272 or via SYSM (use ID #HDSCISN) by September 1, 1986 regarding your preference for tape or paper output. Counties who do not respond by that date will receive their data via paper output.

In October 1986 your county will receive a list of the additional PHP/HMOs to be included in the cost avoidance program for use by your eligibility workers during the initial intake and redetermination process. Beneficiaries enrolled in any of the PHPs/HMOs on this list will not be required to complete a HRB2A (Health Insurance Questionnaire); however, counties will be required to put a 'P' other health coverage indicator on MEDS. The PHP/HMO list will be updated regularly by the state's Health Insurance Unit and distributed to counties semi-annually.

Phase II and III will be an expansion of the first phase of the cost avoidance system. Phase II will specifically cost avoid major health insurance companies/health plans known to provide coverage to the largest numbers of Medi-Cal beneficiaries and which offer a scope of benefits/coverage similar to Medi-Cal. This phase is expected to be implemented in 1987. Phase III's goal will further expand upon the cost avoidance activities of the previous Phases through the inclusion of additional insurance companies/plans and coverages as they are determined to be cost beneficial to cost avoid. This last Phase will be implemented sometime during the 1987-88 fiscal year.

Should you have any questions regarding this letter, please contact Gino Maiolini at (916) 739-3247.

Sincerely,

Original signed by

Frank S. Martucci, Chief  
Medi-Cal Eligibility Branch

Attachments

(cc's and Expiration Date listed on next page)

All County Welfare Directors  
All County Administrative Officers  
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cc: Medi-Cal Liaisons  
Medi-Cal Program Consultants  
County MEDS Liaisons  
County EDP Coordinators

Expiration Date: April 30, 1987

DEPARTMENT OF HEALTH SERVICES  
CLAIMS SECTION  
OFFICE BOX 1287  
SACRAMENTO, CALIFORNIA 95806

August 7, 1986

SUBJECT: REPORTING AND USING PRIVATE HEALTH INSURANCE COVERAGE

*AVISO MUY IMPORTANTE. DESEA UD LEER ESTE AVISO EN ESPANOL, LO ESTA EN OTRO LADO.*

On November 1, 1986 Medi-Cal will expand its program for using private health insurance. This program does not change your Medi-Cal eligibility but it does mean that if you are enrolled in a health plan, Medi-Cal will not pay for medical services covered by the plan. You will still be able to use your Medi-Cal card for Medi-Cal covered services the health plan does not provide. A health plan is a group of doctors, a hospital, a medical clinic, or an organization which is made up of private doctors and hospitals.

Medi-Cal records show that you do have health insurance. We want to make sure that our records are correct. Please complete the enclosed form and return it in the envelope provided by August 25, 1986. If you do not complete the form and return it, a code will be put on your Medi-Cal card which will mean that you will have to use your health plan for medical services covered by your plan. California law says that all Medi-Cal recipients must report and must use any health insurance they have in order to keep their Medi-Cal eligibility (Welfare and Institutions Code 14023, California Administrative Codes 50175 and 50763).

PLEASE COMPLETE THE ENCLOSED FORM AND RETURN IT IN THE ENVELOPE PROVIDED BY AUGUST 25, 1986. (NO STAMP IS NECESSARY.)

HOW TO COMPLETE THE HEALTH INSURANCE FORM

- STATEMENT NO 1. Check this box and give the date it stopped if you no longer have private health insurance.
- STATEMENT NO 2. Check the box next to the health insurance plan you are enrolled in.
- STATEMENT NO 3. Check this box if you have health insurance but it is not with one of the health care plans in Number 2. Give the full name and address of your health insurance company and your policy and/or group number.

IF YOU DO NOT COMPLETE AND RETURN THE HEALTH INSURANCE FORM BY AUGUST 25, 1986, A NEW OTHER COVERAGE CODE WILL BE PUT ON YOUR MEDI-CAL CARD.

HEALTH INSURANCE FORM  
FORMULARIO DEL SEGURO DE SALUD

Read each statement below. Put an X in ONE of the boxes which is right for you. [X]  
Léase cada una de las declaraciones indicadas mas abajo. Ponga una X en el  
cuadro que le corresponde a usted. [X]

☐ 01 I no longer have health insurance. It stopped on: \_\_\_\_/\_\_\_\_/\_\_\_\_  
Ya no tengo seguro de salud. Terminó el: \_\_\_\_/\_\_\_\_/\_\_\_\_

I have insurance with the health insurance plan I checked below:  
Tengo seguro de salud con el plan que marco mas abajo:

- |  |   |
|--|---|
| <input type="checkbox"/> 02 Alviso Health Plan                                     | <input type="checkbox"/> 35 Inter Valley Health Plan, Inc.      |
| <input type="checkbox"/> 03 AAHP Medical Group ( American Association Health Plan) | <input type="checkbox"/> 36 INA Health Plan of California       |
| <input type="checkbox"/> 04 AmeriMed   | <input type="checkbox"/> 37 IPM Health Plan                     |
| <input type="checkbox"/> 05 AV-MED Health Plan                                     | <input type="checkbox"/> 38 Kaiser Foundation Health Plans      |
| <input type="checkbox"/> 06 Bay Pacific Health Plan                                | <input type="checkbox"/> 39 Key Plan                            |
| <input type="checkbox"/> 07 Blue Cross Communicare                                 | <input type="checkbox"/> 40 Keycare                             |
| <input type="checkbox"/> 08 Central Valley Health Plan                             | <input type="checkbox"/> 41 Lifeguard HMO, Inc.                 |
| <input type="checkbox"/> 09 Children's Hospital Health Plan of San Francisco       | <input type="checkbox"/> 42 Maxicare                            |
| <input type="checkbox"/> 10 CIGNA Health Plans                                     | <input type="checkbox"/> 43 Modern Health Care Systems          |
| <input type="checkbox"/> 11 Community Health Group                                 | <input type="checkbox"/> 44 Neighborhood Health Plan            |
| <input type="checkbox"/> 12 Comprecare, Inc.                                       | <input type="checkbox"/> 45 North-East San Diego Health Plan    |
| <input type="checkbox"/> 13 Contra Costa Health Plan                               | <input type="checkbox"/> 46 Orange Plan Health Care             |
| <input type="checkbox"/> 14 CHAMPUS  | <input type="checkbox"/> 47 Pacificare, Inc.                    |
| <input type="checkbox"/> 15 CHOICE (Aetna Health Care Programs)                    | <input type="checkbox"/> 48 Pomona Valley Health Plan           |
| <input type="checkbox"/> 16 Family Health Services, Inc.                           | <input type="checkbox"/> 49 Protective Health Providers         |
| <input type="checkbox"/> 17 Foundation Health Plan                                 | <input type="checkbox"/> 50 Redwood Health Foundation           |
| <input type="checkbox"/> 18 French Hospital Health Plan                            | <input type="checkbox"/> 51 Ross-Loos                           |
| <input type="checkbox"/> 19 FHP (Family Health Program)                            | <input type="checkbox"/> 52 Santa Ana Medical Group             |
| <input type="checkbox"/> 20 General Med  | <input type="checkbox"/> 53 Securecare Health Plan              |
| <input type="checkbox"/> 21 General Medical Centers, Inc.                          | <input type="checkbox"/> 54 Serra Medical Foundation            |
| <input type="checkbox"/> 22 Golden Rain Medical Plan                               | <input type="checkbox"/> 55 SCAN Health Plan                    |
| <input type="checkbox"/> 23 Greater San Diego Health Plan                          | <input type="checkbox"/> 56 St. Joseph's Omni Health Plan       |
| <input type="checkbox"/> 24 Grossmont Health Plan                                  | <input type="checkbox"/> 57 SUMMA Health Plan                   |
| <input type="checkbox"/> 25 HealthAmerica  | <input type="checkbox"/> 58 TakeCare                            |
| <input type="checkbox"/> 26 HealthAmerica Rockridge                                | <input type="checkbox"/> 59 Union Medical Clinic                |
| <input type="checkbox"/> 27 Health Group International                             | <input type="checkbox"/> 60 United Health Plan                  |
| <input type="checkbox"/> 28 Health Net   | <input type="checkbox"/> 61 United States Health Plan           |
| <input type="checkbox"/> 29 Health Plan of America                                 | <input type="checkbox"/> 62 Universal Care                      |
| <input type="checkbox"/> 30 Health Plan of the Redwoods                            | <input type="checkbox"/> 63 Valley Health Plan                  |
| <input type="checkbox"/> 31 Healthcare   | <input type="checkbox"/> 64 Valuecare: Priority Health Services |
| <input type="checkbox"/> 32 Healthwest Careamerica                                 | <input type="checkbox"/> 65 VIP Health Plan (Ventura Co. HMO)   |
| <input type="checkbox"/> 33 Hi Desert Medical Group                                | <input type="checkbox"/> 66 Watis Health Foundation             |
| <input type="checkbox"/> 34 Inland Health Plan                                     | <input type="checkbox"/> 67 Western Health Plans                |
|  | <input type="checkbox"/> 68 Whittaker Health Services           |

☐ 99 I do not have health insurance with any of the above health plans. My health insurance is with:  
No tengo seguro de salud con alguno de los planes de salud indicados mas arriba.  
Mi seguro de salud es con:

COMPANY NAME	POLICY NO.
NOMBRE DE LA COMPAÑIA	POLIZA NO.
ADDRESS	GROUP NO.
DIRECCION	GRUPO NO.
Street/Calle	

City/Ciudad	State/Estado	Zip Code/Numero de la Zona Postal
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I understand that having health insurance does not affect Medi-Cal eligibility. However, if I fail to cooperate in providing this information to the best of my knowledge, my eligibility may be discontinued. Based on the information I provide, a health plan code may be added on my Medi-Cal card.

Entiendo que tener un seguro de salud no afecta mi elegibilidad para Medi-Cal. Sin embargo, si no coopero en dar la informacion indicada mas arriba a lo mejor de mi conocimiento, mi elegibilidad puede ser descontinuada. Basados en la informacion que doy, una clave del plan de salud puede ser agregada en mi tarjeta de Medi-Cal.

Signature/Firma	Date/Fecha	( ) Area Code	Home Phone	( ) Area Code	Work Phone
		Clave del Area	Telefono de la Casa	Clave del Area	Telefono del Trabajo

DATE: 07/21/86

REVISION:

SYSTEM/PROJECT: RCV0008

DEPARTMENT OF HEALTH SERVICES - DATA SYSTEMS BRANCH

RECORD LAYOUT

FILE NAME: DHC INDICATOR CHANGE

ORIGINATOR: CISNEROS

REVIEWER:

SOURCE PROGRAM: RCV097

001	002	003	004	005	006	007	008	009	010	011	012	013	014	015	016	017	018	019	020	021	022	023	024	025	026	027	028	029	030	031	032	033	034	035	036	037	038	039	040	041	042	043	044	045	046	047	048	049	050	
SSN									COUNTY ID											NAME																														
									CO	AID	CASE NO				FBU	PERS NO	LAST NAME															FIRST NAME																		

051	052	053	054	055	056	057	058	059	060	061	062	063	064	065	066	067	068	069	070	071	072	073	074	075	076	077	078	079	080	081	082	083	084	085	086	087	088	089	090	091	092	093	094	095	096	097	098	099	100
NAME		DOB			PHPCODE	DO	EW NO																																										
CONTD	INITIAL	MM	DD	CYY																																													

MODE: BINARY - B  
PACKED - P

LABELS: STANDARD ☒  
NON-STANDARD ☐

RECORD FORMAT: FIXED - F ☒  
VARIABLE V ☐

RECORD LENGTH: 68  
RECORDS PER BLOCK: 0000  
BLOCK SIZE: 00000

PROGRAM: RCV000  
USE: INPUT  
OUTPUT X

STATE OF CALIFORNIA  
DEPARTMENT OF HEALTH SERVICES

OTHER HEALTH COVERAGE INDICATOR CHANGE REPORT

PROGRAM: RCV000  
REPORT NBR: MR-RCV000-R002

PAGE NUMBER: Z,ZZ9  
RUN DATE: MM/DD/YY

MEDI-CAL BENEFICIARIES WITH PRIVATE PHP  
SAN DIEGO COUNTY

DISTRICT OFFICE : XXX  
EW NO : XXXX

SSAN (MEDS-ID)	COUNTY-ID	BENEFICIARY NAME	BIRTHDATE	OHC CODE
333 22 4444	01 23 4567890 1 23	FIRSTNAME X LASTNAMEXXXXXXXXX	MM DD CYV	P
XXX XX XXXX	XX XX XXXXXXXX X XX	XXXXXXXXXX X XXXXXXXXXXXXXXXXX	MM DD CYV	X
XXX XX XXXX	XX XX XXXXXXXX X XX	XXXXXXXXXX X XXXXXXXXXXXXXXXXX	MM DD CYV	X
XXX XX XXXX	XX XX XXXXXXXX X XX	XXXXXXXXXX X XXXXXXXXXXXXXXXXX	MM DD CYV	X

COUNTY TOTAL NUMBER OF BENEFICIARY OHC CODE CHANGES ..... ZZZ,ZZ9