

DEPARTMENT OF HEALTH SERVICES

714/744 P STREET
P.O. BOX 942732
SACRAMENTO, CA 94234-7320



April 2, 1991

Letter No.: 91-32

TO: All County Welfare Directors
All County Administrative Officers

SUBJECT: DRAFT UPDATED REVISIONS TO MEDI-CAL ELIGIBILITY MANUAL (MEM)
PROCEDURES SECTION 14E

REFERENCE: ACWDL 89-63

This letter transmits draft updated revisions to MEM Procedures Section 14E which specifies requirements for issuance of Medi-Cal cards more than one year after the month of service.

We call your attention to the following changes/additions in MEM Procedures Section 14E:

1. The "Medi-Cal Card Issuance Authorization Letter", previously the "Administrative Error Letter", as stated in All County Welfare Director's letter number 89-63 is hereinafter referred to as the "Letter of Authorization" (LOA).
2. If a recipient needs Medi-Cal labels for more than one month and there are different providers, the county shall issue a sufficient number of original LOAs on county letterhead (with the original signature of a County Welfare Department appointed designee) for each month and each provider. (Photocopied signatures will not be accepted.)
3. The definition, examples and procedures for an administrative error have been added.
4. Minor revisions to the LOA.
5. Please note that counties are required to submit the typed names and original signatures of the designated county staff person(s) authorized to sign LOAs and submit them to:

All County Welfare Directors
All County Program Consultants
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Cary Hall, Chief
Second Level Appeals Unit
Fiscal Intermediary
Management Division
714 P Street, Room 950
Sacramento, CA 95814

Please also submit any future changes to the office listed above.

Please do not submit future LOAs to Tony Plescia. The new DHS designated individuals who are responsible for rendering DHS-based decisions are RaNae Dunne and Elaine Bilot. They are located at 714 P Street, Room 1792, Sacramento, CA 95814.

Final procedures will be forthcoming. If you have any questions please contact RaNae Dunne at (916) 324-4955/ATSS 454-4955.

Sincerely,
ORIGINAL SIGNED BY

FRANK S. MARTUCCI, CHIEF
Medi-Cal Eligibility Branch

Enclosures

cc: Medi-Cal Liaisons
Medi-Cal Program Consultants

Cary Hall, Chief
Second Level Appeals Unit
Provider Services Section
Fiscal Intermediary Management
Section
8/950

14E -- ISSUANCE OF MEDI-CAL CARDS MORE THAN
ONE YEAR AFTER THE DATE OF SERVICE

The county welfare department shall not issue a Medi-Cal card or issue proof of eligibility (POE) labels more than one year after the month of service, except as defined in Section 50746. Section 50746 limits Medi-Cal card issuance more than one year after the date of service for all Medi-Cal beneficiaries to court actions, state or other administrative hearing decisions, county determination of administrative error, and state Department of Health Services (DHS) request.

MEDI-CAL CARD ISSUANCE FOR SSI/SSP RECIPIENTS ONLY

The period of SSI/SSP-based Medi-Cal eligibility begins with the month SSI/SSP cash assistance is effective. However, DHS is unable to automatically issue cards for the period between the effective month of eligibility (if it is prior to current month) and the month the SDX update is received. Since the person was entitled to a card but the Department failed to issue one, there is a state administrative error.

Before issuing a POE or full complement Medi-Cal card to an SSI/SSP recipient who requests one more than one year after the date of service, the county must ensure that the claimant was eligible for SSI in the month for which a card is being requested. Since Medi-Cal Eligibility Data System (MEDS) does not go back more than one year, the burden of proof will fall upon the claimant, i.e., the claimant must obtain from Social Security proof of his/her SSI eligibility for the month in question. (See Section 50167(a)(1)(B) for examples of acceptable proof of SSI eligibility.)

MEDI-CAL CARD ISSUANCE

The EW50 transaction should be used to produce a full complement Medi-Cal card or POE labels via the MEDS. (See MEDS User Manual, Chapter 10.) Because there is no MEDS history for more than 12 months prior to the MEDS current month, the county must enter all information required for card production.

If the cards are issued as a result of a court order in a class action lawsuit, the case, e.g., Lopez v. Heckler, must be identified in the provider billing letter to ensure payment to the provider and to enable DHS to identify costs associated with a particular suit.

In addition to the full complement Medi-Cal card or POE labels for the period in question, the beneficiary must be provided with a "Letter of Authorization" (LOA) (see page 14E-5). (This LOA replaces: a) the "Medi-Cal Provider" letter and the "Beneficiary" letter which was located on pages 14E-3 and 4 of the Medi-Cal Eligibility Manual; and b) the title of "Medi-Cal Card Issuance Authorization Letter" as stated in All County Welfare Director's letter number 89-63.) The LOA must be issued to the recipient

along with the labels. The provider must submit this original LOA along with the label(s) when making a claim for reimbursement. If the recipient needs labels for more than one month and there is more than one provider, the county shall issue a sufficient number of original LOAs for the appropriate month(s) on county letterhead. Please note that counties may want to complete a LOA for all Medi-Cal cards which are issued on the eleventh month from the month of service. This will ensure payment of the claim since the claim will most likely be submitted for payment beyond the one-year limit.

DEFINITION OF ADMINISTRATIVE ERROR

As mentioned above, one of the reasons listed in Section 50746 for issuance of a Medi-Cal card beyond the one-year limit is if an administrative error occurred. An administrative error is defined as an erroneous action, or a required action not taken, which resulted in the failure of the County or the State to issue a Medi-Cal card within one year of the date of service when the eligibility determination has been conducted in accordance with State regulations, policy and procedures.

Some examples of acceptable administrative errors include the following:

- o Failure of the county welfare department to approve a Medi-Cal application by a potentially eligible individual due to legitimate errors made in the course of determining eligibility (e.g., an applicant was denied but should have been approved and didn't file an appeal or; an applicant's file was misplaced and eligibility was never determined).
- o Failure to issue a Medi-Cal card within one year from the date of service because the county system or MEDS shows an incorrect beneficiary address for the month of request.
- o Failure to issue a Medi-Cal card within one year from the date of service because either the county never sent the original MC 177 to the State, or the original MC 177 is in the case file with an error slip from the State because it was not corrected and returned to the State for processing of a Medi-Cal card.
- o The county issues a card within one year, but it is coded incorrectly and cannot be used to bill for the services rendered (e.g., the card/label shows a 53 aid code and the applicant received and is eligible for acute care services in that month).

It is not possible to list all examples of an administrative error. If the county is unsure whether a particular situation meets the definition of an administrative error, the Eligibility Branch should be contacted for clarification.

ADMINISTRATIVE ERROR PROCEDURES

Whenever an administrative error occurs, it must be documented and described fully in the case file as soon as possible after the error has occurred.

Counties must take precautions to ensure that case-processing delays which are the result of routine errors in filing, photocopying, etc., do not contribute excessively to the incidence of administrative errors.

It is usually a request from a beneficiary for a Medi-Cal card more than one year after the date of service that creates the need for an administrative error determination. However, there are situations, as limited by Procedures Section 14D, in which a request from an acute care hospital or primary care clinic can generate an administrative error determination. Participating providers can easily obtain eligibility information on any Medi-Cal patient up to three months after the date of service through the Automated Eligibility Verification System. Although the system cannot provide such information beyond three months, it should help providers obtain eligibility information timely and thereby avoid having to request an administrative error determination at a later date.

Should the county find that an administrative error has occurred, a LOA must be completed with the "administrative error" line checked, a description of the administrative error given, and the appropriate case information provided (Medi-Cal ID number, application date, EW name and phone, etc.). This letter must be printed on county letterhead and bear the original signature of a DHS-authorized county welfare department official. Photocopies will not be accepted. If the cause of the administrative error is due to an SSI decision and an SSI-based Medi-Cal card is to be issued beyond the one-year limit, the LOA must be completed with the second reason checked ("A State Hearing or other administrative hearing decision requires that a card be issued"). SSI decisions fall under "other administrative hearing decision".

If the county finds that an administrative error does not exist in a particular situation, but extenuating circumstances exist beyond the beneficiary's or the county's control, the county may contact the Eligibility Branch for assistance. The Eligibility Branch will evaluate whether a card can be issued pursuant to Title 22, CCR, Section 50746(a)(4), which provides for a card to be issued by DHS request. The procedure to seek DHS authorization for issuance in these cases is as follows:

- o The request must be in writing on county letterhead.
- o It must list chronologically the sequence of events in the processing of the case and the circumstances surrounding the error.
- o It must carry the original signature of a County Welfare Department Director or his/her DHS-approved designee (photocopied signatures will not be accepted).
- o The request must be accompanied by an original LOA for each provider. However, in the event that only one provider is requesting labels for more than one month, one original LOA is sufficient.

In the event that DHS, upon consideration of the request authorizes issuance of a card, the LOA(s) will be signed by an authorized DHS staff person and returned to the county. As in the case of administrative errors described above, the LOA(s) must be issued to the recipient along with the card.

Claims for reimbursement shall be made in the same manner as indicated above for administrative errors.

REDESIGNED LOA

The LOA is basically an updated version of the Administrative Error Letter. A number of elements have been added which expand its scope and provide for more effective claims processing and record-keeping.

- o The date of application and the date the case is approved must be indicated on each LOA (except in cases of SSI card issuance). The eligibility worker's name and phone number must be provided for documentation purposes.
- o The scope of the LOA is expanded to permit its use for DHS to authorize card/label issuance over one year after the month of service for reasons other than administrative error as provided for in Title 22, CCR, Section 50746. The revised LOA can now be used to authorize issuance when required by a court order, State hearing or other administrative decision, or DHS request (as discussed earlier).
- o A space has been designated for the county to describe the administrative error. Such description should be a narrative which fully explains the error rather than one or two words ("procedural error" is not sufficient). LOAs submitted to DHS without a satisfactory description of the administrative error will be returned to the county for proper completion.
- o A note has been added to remind the beneficiary that, if he/she will be submitting labels to more than one provider, he/she should contact the county so that the necessary number of original LOAs can be provided with the labels. (Each provider must submit an original LOA with each claim for reimbursement.)
- o The LOA also contains a section at the bottom which instructs providers not to send over-one-year claims to Electronic Data Systems. Rather, they should be sent to the DHS address indicated on the LOA.

(Applicant's Name)
(Address)
(Medi-Cal ID #)
Date of Application:

Date Case Approved:

Dear _____:

Regarding Medi-Cal Cards for _____
Month(s)

Worker:

Phone Number:

Attached are your replacement Medi-Cal labels for the above month(s). They are issued in accordance with Title 22, California Code of Regulations (CCR) Section 50746, which permits county welfare departments to issue Medi-Cal cards to beneficiaries more than one year after the month of service for limited reasons.

Your card is being issued for the reason checked below:

- ____ A court order requires that a card be issued.
____ A State Hearing or other administrative hearing decision requires that a card be issued.
____ The Department of Health Services requests that a card be issued.
[Signature or authorized DHS staff person _____]
____ An Administrative Error has occurred.
(Description) _____

Please give your doctor or other medical provider this letter, along with your Medi-Cal label(s) for the month(s) of service. The Medi-Cal program cannot pay your provider's bill unless the original of this letter is submitted with the bill and your Medi-Cal label(s) for the month(s) of service.

If you are going to give a Medi-Cal label to more than one doctor or other provider, please contact us at _____. We will send you more of these letters for each doctor or other provider you give a label to.

If you have any questions, please call your worker.

Sincerely,

(Original Signature of Authorized County Administrative Staff)

Instruction to Provider

DO NOT SEND CLAIMS TO THE ELECTRONIC DATA SYSTEMS

Submit this letter, along with the claim, to:

Department of Health Services
Fiscal Intermediary Management Division
Over-Year Claims
714 P Street, Room 940
P.O. Box 942732
Sacramento, CA 94234-7320