

## DEPARTMENT OF HEALTH SERVICES

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



June 27, 1991

TO: All County Welfare Directors  
All County Administrative Officers

Letter No.: 91-58

SUBJECT: SAFEGUARDING OF CONFIDENTIAL MEDI-CAL ELIGIBILITY INFORMATION

REFERENCE: California Welfare and Institutions Code, Section 14100.2

Recent events necessitate this reminder regarding the safeguarding of confidential Medi-Cal eligibility in county welfare department (CWD) offices by county employees and agents.

Background

The Department of Health Services contracts in certain counties with Health Care Plans (HCP), i.e., prepaid health plans (PHPs) and primary care case management organizations, to enroll and provide health care coverage to Medi-Cal beneficiaries. These organizations are authorized by the Medi-Cal Program to employ representatives to market HCP membership to new and existing Medi-Cal beneficiaries. Both the Department of Health Services and the Department of Justice have received complaints from beneficiaries that they have been approached by health care plan marketing representatives who have obtained confidential eligibility-related information from CWD staff. Some marketers recently terminated for cause have admitted that they paid CWD workers for Medi-Cal eligibility information which was used to identify and locate eligible beneficiaries.

CWD Responsibilities

CWDs are responsible under the law to ensure the protection of confidential eligibility information. CWDs are requested to:

1. Issue a written reminder to their staff that Medi-Cal eligibility information is confidential and its release to HCPs or HCP employees is a prosecutable violation of State law.

2. Formally review their procedures for safeguarding the confidentiality of Medi-Cal eligibility information to assure the procedures are effective.
3. Inform staff of telephone numbers to report fraud activities directly to law enforcement agencies. The following numbers should be published for employees:
  - o Los Angeles County Employee Fraud Hotline 1-800-544-6861
  - o Orange County Fraud Prevention (714) 558-4503
  - o San Diego County Fraud Prevention (619) 696-9442
  - o LA Bureau of Medi-Cal Fraud (213) 736-2019
  - o San Diego Bureau of Medi-Cal Fraud (619) 237-7726
  - o San Francisco Bureau of Medi-Cal Fraud (415) 557-0801
  - o California Department of Social Services Fraud Bureau, Sacramento (916) 445-0812.

#### Legal References

The California Welfare and Institutions Code, Section 14100.2(a) states that "all types of information ... pursuant to Title XIX of the Social Security Act shall be confidential ..."

Section 14100.2(b) requires "all information about applicants and recipients ... to be safeguarded including, but not limited to, names and addresses ..."

Section 14100.2(f) requires agents of the state to abide by rules and regulations governing the custody, use and preservation of all records pertaining to administration of the Medi-Cal Program.

Section 14100.2(h) states that "any person who knowingly releases or possesses confidential information concerning persons who have applied for or who have been granted any form of Medi-Cal benefits...for which state or federal funds are made available in violation of this section is guilty of a misdemeanor."

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Summary

CWDs are responsible for assuring that the confidentiality of beneficiary eligibility information is maintained. CWDs must monitor their procedures for maintaining the confidentiality of eligibility information and remind staff of confidentiality requirements. Violations of confidentiality are prosecutable.

Please direct any questions to Bonnie Kinkade, of my staff, at (916) 322-2777 or ATSS 492-2777.

Sincerely,

ORIGINAL SIGNED BY

Frank S. Martucci, Chief  
Medi-Cal Eligibility Branch

cc: Medi-Cal Liaisons  
Medi-Cal Program Consultants