

DEPARTMENT OF HEALTH SERVICES

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February 6, 1995

TO: All County Welfare Directors
All County Administrative Officers
All County Medi-Cal Program Specialists/Liaisons

Letter No.: 95-08

MEDICAL CHILD SUPPORT PROGRAM CHANGES

This is to provide information about changes in the Medical Support Program as enacted by Assembly Bill 2377 (Chapter 147, Statutes of 1994: Vasconcellos). This legislation was drafted and ratified to enact changes required under the Social Security Act. One change in county procedures is also included.

These laws will assist the child support enforcement agencies (local district attorney offices) in establishing and enforcing medical support provisions in child support awards for children who are eligible for Medi-Cal.

These laws do this by:

- Prohibiting insurers from imposing different requirements for Medi-Cal recipients.
- Allowing employers to deduct health insurance premiums from an absent parent's income.
- Allowing custodial parents to file claim forms and obtain reimbursement directly from insurers without having to go through the absent parent.
- Permitting a custodial parent to enroll the child for coverage without regard to enrollment season restrictions.
- Allowing the custodial parent, district attorney's office or the Department of Health Services to enroll a child in family coverage if there is a court order and the absent parent fails to do so.
- Prohibiting disenrollment unless satisfactory evidence is given that such a court order is no longer in effect or there is current comparable coverage.
- Prohibiting insurers and employers from denying enrollment because a child was born out of wedlock, the child was not claimed on a federal income tax return, or the child does not live within the parent or insurer's service area.

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The new requirements are included in Section 14124.93 of the Welfare and Institutions Code and are also referenced in the Labor, Insurance, and Health and Safety Codes.

County Procedure Change

Because these new laws will strengthen the medical support enforcement process for obtaining health insurance for all children, we will also be referring children in Medi-Cal between the ages of 14 to 18 years of age who are not living in the home of a parent or caretaker relative and who do not have a parent, caretaker relative, or legal guardian handling any of their financial affairs. The parents do not claim these children as dependents in order to receive a tax credit or deduction for state or federal income tax purposes. These "adult children" have been designated as adults under Medi-Cal. They are not eligible for Aid to Families with Dependent Children (AFDC) or AFDC cash-based/AFDC-MN Medi-Cal because they are not dependent children. However, for medical support referrals, children who are emancipated or married should not be referred. (Title 22, California Code of Regulations, Section 50014; Medi-Cal Eligibility Manual Article 23; 42 CFR 435.22.)

Later this year, the Department plans to distribute an informational pamphlet to the impacted Medi-Cal population describing their rights to health insurance. If you have any questions regarding these changes, please contact Margaret Hoffeditz at (916) 323-5243. If you have any questions regarding the Medical Support Program, please contact Elena Lara at (916) 657-0712.

Sincerely,

ORIGINAL SIGNED BY

Frank S. Martucci, Chief
Medi-Cal Eligibility Branch

Enclosure

MEDI-CAL ELIGIBILITY MANUAL - PROCEDURES SECTION

4. UTILIZATION OF HEALTH COVERAGE

a. Pay and Chase

Under Federal Law (42 U.S.C. Section 1396a(25)) health insurance belonging to a Medi-Cal beneficiary in a child or medical support enforcement case is used by the following method, also referred to as "pay and chase":

The provider of service will bill Medi-Cal. Medi-Cal will pay the provider of service. Thereafter, Medi-Cal will seek reimbursement from the other health coverage.

b. Cost Avoidance

When the other health insurance is a Prepaid Health Plan (PHP) or a Health Maintenance Organization (HMO), however, the dependent must utilize the plan's facilities for regular medical care. Out of area services or emergency care for such dependents are billed to the PHP/HMO.

5. DISTRICT ATTORNEY HEALTH INSURANCE INCENTIVE

a. Policy

Effective October 1, 1993, the California Department of Social Services (CDSS) began paying the FSD/DA's an incentive of \$50 for reporting health insurance coverage obtained as a result of enforcement activities for dependent children. Health insurance includes any third party insurance policy that provides coverage or benefits payable for:

<u>Scope Code</u>	<u>Service Type</u>	<u>Services Covered</u>
O	Outpatient	Hospital outpatient (e.g., lab work or physical therapy)
I	Inpatient	Hospital stays
M	Medical	Medical doctor visits
P	Prescriptions	Prescription drugs
L	Long term care	Long term care (e.g., nursing home) or coverage for a specific illness (e.g., cancer)
D	Dental	Dental coverage
V	Vision	Vision care

(NOTE: Health insurance does not include insurance coverage for automobile insurance, indemnity policies or periodic benefits for disability, hospitalization or income protection, coverage limited to a