



California
Department of
Health Services

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Director

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



ARNOLD SCHWARZENEGGER
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July 13, 2004

MMCD All-Plan Letter No. 04004

TO: County Organized Health Systems (COHS) Plans
Geographic Managed Care (GMC) Plans
Prepaid Health Plans (PHP)
Primary Care Case Management (PCCM) Plans
Two-Plan Model Plans

FROM: Luis R. Rico
Acting Chief
Medi-Cal Managed Care Division

SUBJECT: WORKERS' COMPENSATION (WC)— NOTICE AWARD OF NEW
WORKERS' COMPENSATION RECOVERY PROGRAM (WCRP)
CONTRACTOR; REPORTING AND OTHER REQUIREMENTS

Effective March 16, 2004, Health Management Systems (HMS), became the Department of Health Services' (Department) new Workers' Compensation Recovery Program (WCRP) contractor. The previous contract was held by Boehm & Associates. This letter clarifies reporting and reimbursement requirements when a Medi-Cal beneficiary receives services provided by a Medi-Cal Managed Care Organization (MCO) for a work-related injury.

DEPARTMENT RECOVERY RIGHTS:

The Department has statutory lien/claim rights in Workers' Compensation (WC) matters involving a Medi-Cal beneficiary pursuant to Welfare and Institutions (W&I) Code Sections 14124.70-14124.791. The Department retains sole lien/claim rights in all third party actions; therefore, all contracts entered into between the MCO contractor and its subcontractors must include this provision.

The Department contracts with a private vendor for the identification and collection of WC cases. The contractor acts on behalf of the Department to recover Medi-Cal paid

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services from WC cases. Boehm will continue to work cases filed with the appropriate WC carrier or WC Appeals Board that were filed prior to July 1, 2003. All referrals filed subsequent to this date shall be sent to HMS.

WORK RELATED INJURIES:

When an injury occurs at the work site, a claim can be filed with the WC insurance carrier. If the carrier disputes the injury, a claim can be filed with the Workers' Compensation Appeals Board (WCAB). The Department, through its contractor, files a claim for reimbursement of Medi-Cal paid services relating to the injury.

CONTRACTOR RESPONSIBILITIES REGARDING WORKERS' COMPENSATION CLAIMS:

MCO's and their subcontractors are contractually required to notify the Department, within 10 days, of knowledge that a third party may be liable for payment of Medi-Cal paid services for a Medi-Cal beneficiary. MCO's are also required to notify the Department of any personal injury cases. For Medi-Cal paid treatments that involve a work related injury, the MCO shall notify HMS directly at the following address:

Health Management Systems
9750 Business Park Drive, Suite 110
Sacramento, CA 95827-1716
Telephone No. (916) 760-5100
Facsimile No. (916) 854-1850

Notices shall include the following:

- 1) Member's Name, Address, and Telephone Number;
- 2) Social Security Number;
- 3) Date of Injury;
- 4) Type of Injury;
- 5) Attorney's Name, Address, and Telephone Number (if applicable);
- 6) Insurance Company's Name, Address, and Telephone Number (if applicable);
- 7) Employer's Name, Address, and Telephone Number; and
- 8) WCAB Number (if applicable and known).

In addition, the MCO shall include an itemized list of all services provided to the member from the date of the injury forward. This itemized list (including out-of-plan and capitated services) must include the following information for each service:

- 1) Date(s) of services;
- 2) Provider names;
- 3) Diagnosis code;
- 4) Procedure description/procedure code;

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- 5) Value of service(s) (usual, customary, and reasonable amount that would be charged to the general public);
- 6) Date of denial and reason(s) (if applicable);
- 7) Medi-Cal allowable amount (if applicable);
- 8) Amount billed by a subcontractor or out-of-plan provider (if applicable);
- 9) Amount and date paid by contractor to subcontractor or out-of-plan provider (if applicable); and
- 10) If treatment is ongoing, the MCP contractor must note this in the comment portion of the itemization.

When the Department, Boehm & Associates, or HMS requests an itemization of services from the MCO, the information must be forwarded within 30 days of the date of the request.

All inquiries and requests for itemizations regarding work related injuries from a Medi-Cal member, member's attorney, or a WC carrier shall be directed to HMS.

DUPLICATE PAYMENTS:

MCO contracts preclude MCO contractors and subcontractors from receiving duplicate payments for services provided to Medi-Cal beneficiaries. A duplicate payment occurs when the WC carrier and/or employer pays the MCP provider directly for services provided to a Medi-Cal beneficiary enrolled in an MCP. If this occurs, **the MCO provider or subcontractor may not retain the duplicate payment.** All payments should be forwarded to the Department with an itemization of services to the following address:

Department of Health Services
Program Analysis Unit/WCRP
MS 4720
P.O. Box 997421
Sacramento, CA 95899-7421

When a duplicate payment is received, the MCO contractor shall forward notice of the case with the payment to the Department. The Department will forward the WC information along with a copy of the check to the appropriate contractor.

Questions relating to the contents of this letter should be directed to Ms. Joy Cheah, WC Contract Specialist, at (916) 650-0564. Should you have any questions, or require additional information or clarification, please contact your contract manager.