

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services
601 E. 12th St., Room 355
Kansas City, Missouri 64106



Medicaid and CHIP Operations Group

June 30, 2022

Jacey Cooper
Chief Deputy Director, Health Care Programs
California Department of Health Care Services
P.O. Box 997413, MS 0000
Sacramento, CA 94899-7443

Re: California State Plan Amendment (SPA) 22-0018

Dear Ms. Cooper:

The Centers for Medicare & Medicaid Services (CMS) reviewed your Medicaid State Plan Amendment (SPA) submitted under transmittal number (TN) California 22-0018. This amendment proposes to clarify the Department of Health Care Services' third-party liability practices for prenatal services and child support enforcement services. It also amends exceptions for recovery practices and updates Medicare thresholds.

We conducted our review of your submittal according to statutory requirements in Title XIX of the Social Security Act and implementing regulations 42 CFR 433.139 (b)(3). This letter is to inform you that California Medicaid SPA 22-0018 was approved on June 30, 2022, with an effective date of July 1, 2022.

If you have any questions, please contact Cheryl Young at 415-744-3598 or via email at Cheryl.Young@cms.hhs.gov.

Sincerely,

A black rectangular box redacting the signature of James G. Scott.

Digitally signed by James
G. Scott -S
Date: 2022.06.30 15:10:12
-05'00'

James G. Scott, Director
Division of Program Operations

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER

2 2 — 0 0 1 8

2. STATE

CA

3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT

XIX XXI

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

July 1, 2022

5. FEDERAL STATUTE/REGULATION CITATION

Social Security Act sections 1902(a)(25)(E) and (F), 42 CFR 433.139 (b)(3)

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 2021-22 \$ 0
b. FFY 2022-23 \$ 0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.22-A page 2
Attachment 4.22-B page 1

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)

Attachment 4.22-A page 2
Attachment 4.22-B page 1

9. SUBJECT OF AMENDMENT

Third Party Liability Practices

10. GOVERNOR'S REVIEW (Check One)

- GOVERNOR'S OFFICE REPORTED NO COMMENT
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED:

Please note: The Governor's Office does not wish to review the State Plan Amendment.

11. SIGNATURE OF STATE AGENCY OFFICIAL

12. TYPED NAME
Jacey Cooper

13. TITLE
State Medicaid Director

14. DATE SUBMITTED
June 20, 2022

15. RETURN TO

Department of Health Care Services
Attn: Director's Office
P.O. Box 997413, MS 0000
Sacramento, CA 95899-7413

FOR CMS USE ONLY

16. DATE RECEIVED
June 20, 2022

17. DATE APPROVED
June 30, 2022

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
July 1, 2022

19. SIGN
[Redacted Signature]

21. TITLE OF APPROVING OFFICIAL
Director, Division of Program Operations

20. TYPED NAME OF APPROVING OFFICIAL
James G. Scott

22. REMARKS

STATE PLAN UNDER TITLE OF XIX OF THE SOCIAL SECURITY ACT
State: California

guardian of the applicant is given a health insurance form to complete. The county welfare departments use the Health Insurance Questionnaire (DHS 6155) form and SSA uses the TPL information Statement (SSA-8019-U2) form to collect applicant health insurance information to report to the Department. The recipient is obligated to report to the county department any entitlement to other health care coverage at the time of application, reapplication, or redetermination; and report any change in other health care coverage no later than 10 calendar days from the date the beneficiary becomes aware of the change. The county eligibility workers are responsible for reporting other health coverage (Tricare and non-Medicaid plans) of the recipients to the Department. The Department is responsible for entering the insurance information and other health coverage coding for the recipients' case records. As SSA does not have access to the Medi-Cal Eligibility Data System (MEDS), the Health Insurance coding of SSI/SSP recipients' case records is performed by the Department. The Health Insurance codes are stored in MEDS to direct providers when to bill the insurance coverage. Medi-Cal recipients are also advised to use their private insurance provider when other health insurance is available. Codes are also passed to the State's fiscal intermediary via the Fiscal Intermediary Access to MEDS Eligibility (FAME) file for processing claims involving private health insurance. As federally required, the Department updates the Health Insurance System (HIS) file to be utilized for program post payment recoveries and cost avoidance within sixty (60) days of receiving the health insurance information.

Collection of Health Insurance Information by the State Title IV-D Agency

The Child Support Enforcement (IV-D) Program is administered by the Department of Child Support Services (DCSS) through the County Child Support Agency Offices. These are known as the California Child Support Enforcement agencies or local IV-D agencies. These IV-D agencies play an important role in medical support establishment and enforcement. They are responsible for securing and enforcing court orders requiring parents to obtain and maintain health insurance coverage for dependent children. The IV-D agencies are also required to transmit relevant health insurance information to the Department when medical support is secured for the Med-Cal eligible dependent child through a court or administrative order.

The IV-D agencies obtain health insurance information from the Medi-Cal dependent's parents, employer of the parent, or other third party providing health insurance to the parent, which is reported to the Department via electronic exchange. The Department updates the HIS files within sixty (60) days of receiving the information from DCSS as federally required.

STATE PLAN UNDER TITLE OF XIX OF THE SOCIAL SECURITY ACT

State: California

Third Party Liability

(1) Under state and federal law, the Medicaid agency is generally intended to be the payer of last resort for healthcare costs while third parties must assume their legal obligation to pay claims before the Medicaid agency pays for Medicaid recipients. The State Medicaid agency identifies potential third parties for Medicaid expenditures and utilizes the post-payment recovery or cost avoidance method for claims regarding these recipients where third party liability exists. The State Medicaid agency uses cost avoidance for prenatal services, including labor, delivery, and postpartum care services. The State Medicaid agency will use the post-payment recovery method for the purpose of recovering Third Party Liability when services covered under the plan are furnished to an individual whose coverage is subject to a court or administrative order by the State IV-D agency in accordance with the Social Security Act section 1902(a)(25)(F), for those in rural counties where a geographical barrier exists, and preventative pediatric services in accordance with the Social Security Act section 1902(a)(25)(E). Medical child support services will be paid by the State Medicaid agency within 30 days as it has determined it is cost effective and necessary to ensure access to care. Preventative pediatric services will be paid for without regard to the liability of a third party payment. Post-payment recovery activities are initiated in accordance with the established threshold for seeking reimbursement of medical benefits from a liable third party.

If a response from a carrier is not received within 90 days of the provider's billing date, providers may bill the State Medicaid agency for any Medicaid service. A copy of the completed and dated insurance claim form must accompany the claim.

The State Medicaid agency will exempt services from cost avoidance or recovery determined by the State Medicaid agency based on cost effectiveness, good cause (safety concerns for at-risk children), individuals in foster care or adoption assistance aid codes, or privacy concerns for services rendered for mental (in specific circumstances), substance abuse treatment, sexual, and reproductive health.

- (2) The State Medicaid agency exempts providers from recovery efforts for specific reasons based on the cost effectiveness. The threshold amounts used in determining whether to seek reimbursement from a liable third party are as follows:
- a) Payments for care to eligibles with other health coverage (Tricare or non-Medicaid plans which do include employer-sponsored plans) are billed directly when \$0.01 electronic billing, \$10 Paper prescription billing, and \$25 paper medical billing in accumulated health care services have been paid by the Medicaid agency. For Medicare Part A there is a threshold of \$25 per claim, and \$100 per provider. A lower amount is recoverable when determined by the Medicaid agency to be cost effective. The time limit for pursuing recoveries of Third Party Liability concerning Tricare is one (1) year from the original date of service. The time limit for filing all Medicare claims is generally one year from the date of service, subject to Federal law and regulations which may alter recovery time limits. All other health coverage is three (3) calendar