



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



EDMUND G. BROWN JR.
GOVERNOR

DATE: January 7, 2015

MHSUDS INFORMATION NOTICE NO.: 15-001

TO: COUNTY BEHAVIORAL HEALTH PROGRAM DIRECTORS
COUNTY DRUG & ALCOHOL ADMINISTRATORS
COUNTY BEHAVIORAL HEALTH DIRECTOR'S ASSOCIATION
CALIFORNIA COUNCIL OF COMMUNITY MENTAL HEALTH AGENCIES
COALITION OF ALCOHOL AND DRUG ASSOCIATIONS
DRUG MEDI-CAL DIRECT CONTRACT PROVIDERS

SUBJECT: CLAIMING DRUG MEDI-CAL SERVICES FOR BENEFICIARIES WITH
COVERAGE THROUGH MEDICARE ADVANTAGE PLANS

REFERENCE: ADP BULLETINS 11-01 AND 12-03

This Information Notice provides instructions for counties and direct contract providers (DCPs) submitting Drug Medi-Cal (DMC) claims for services provided to beneficiaries eligible for both Medicare and Medi-Cal whose Medicare coverage is provided through a Medicare Advantage plan. Such a plan is also known as a Medicare Risk HMO or Medicare Part C plan. The DMC billing change instructions in this notice are effective for claim service dates on or after July 1, 2015.

Background

DMC policy regarding billing a Medi-Cal beneficiary's other health coverage before billing DMC is contained in ADP Bulletins 11-01 and 12-03 on the DHCS website at: <http://www.dhcs.ca.gov/formsandpubs/Pages/MHSUDS-InfoNotices.aspx>. The Code of Federal Regulations, Title 42, Sections 433.138 and 433.139 require such other health coverage to be billed first before billing Medi-Cal.

Medicare Advantage plans may have broader service coverage than traditional Fee-For-Service (FFS) Medicare Part A and Part B. Consequently, counties and DCPs must bill the dual-eligible beneficiary's Medicare Advantage plans for substance use disorder services, and receive either denial or partial payment from the plan, before billing DMC for the balance remaining after the Medicare Advantage plan's adjudication.

For dual-eligible beneficiaries with traditional FFS Medicare, counties and DCPs are not required to bill traditional FFS Medicare for reimbursement for services which are not covered by Medicare.

New Billing Procedure for Dual-Eligible Beneficiaries with Medicare Advantage Plan Coverage

Effective July 1, 2015, counties and DCPs may bill DMC directly for services provided to dual-eligible beneficiaries with coverage through a Medicare Advantage plan under the following conditions:

- the Medicare Advantage plan must not cover substance use disorder services;
- the Medicare Advantage plan has provided the letter to DHCS described below which certifies that the plan does not cover such services; and
- DHCS has programmed the Short Doyle Medi-Cal (SDMC) claim processing system accordingly.

Under these conditions the county or DCP may bill DMC directly without having to bill the Medicare Advantage plan first.

Counties (not DCPs) are responsible for contacting and requesting that each Medicare Advantage plan send a letter to DHCS, certifying that the plan does not cover substance use disorder services. Once DHCS has received and processed the certification letter, the SDMC system will be programmed to allow billing DMC without having to bill the Medicare Advantage plan first.

The Medicare Advantage plan's letter must conform to the attached "Medicare Advantage Plan, Substance Use Disorders Coverage Certification", and must specify the Medicare Advantage plan name, federal contract number, and calendar year(s) of service to which it applies. The stated calendar year(s) must not include any year of service later than the year following the date of the letter. The letter may include prior calendar years, if applicable and needed for claiming prior year services. To submit signed certification letters to the DHCS, scan and email the signed letter to Jim Jacobson, at jim.jacobson@dhcs.ca.gov using the subject line: "Medicare Advantage Plan Coverage Certification".

As certification letters are processed, DHCS will publish the list of the Medicare Advantage plans and the covered years of service, indicating when the related claims may be billed to DMC. This website link to the list will on the DHCS website at: <http://www.dhcs.ca.gov/provgovpart/Pages/DMCD-TreatmentProgram-Prov.aspx>.

MHSUDS INFORMATION NOTICE NO.: 15-001

Page 3

January 7, 2015

To minimize duplication of effort for counties when a single Medicare Advantage plan covers beneficiaries in more than one county, DHCS requires only a single certification letter from any plan for any service years covered by the letter, regardless of how many counties the plan's coverage area includes.

Questions regarding the content of this information notice or its attachment may be directed to the Jim Jacobson at Jim.Jacobson@dhcs.ca.gov or (916) 327-2662.

Sincerely,

As signed by

Karen Baylor, Ph.D., LMFT, Deputy Director
Mental Health & Substance Use Disorder Services

Attachment