



Toby Douglas
Director

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



Edmond G. Brown Jr
Governor

DATE: September 25, 2014

N.L.: 12-0914

Supersedes N.L. 05-1009

Index: Fund Codes

TO: ALL COUNTY CALIFORNIA CHILDREN SERVICES (CCS) PROGRAM
ADMINISTRATORS, STATE SYSTEMS OF CARE DIVISION (SCD) STAFF

SUBJECT: MR-O-940 REPORTS – PROCEDURES FOR REQUESTING SHIFT OF
CLAIM LINE COSTS FROM ONE FUNDING CATEGORY TO ANOTHER
FUNDING CATEGORY

PURPOSE

The purpose of this Numbered Letter (N.L.) is to provide procedures for requesting the shift of claim line costs posted to a monthly county CCS Program expenditures MR-O-940 report from one funding category on the report to another funding category. This N.L. supersedes N.L. 05-1009.

BACKGROUND

The monthly county CCS Program expenditures MR-O-940 reports post claim line costs to nine different funding categories as follows:

1. Diagnostic Services (CCS aid code 9K, 50% county share)
2. Treatment Services (CCS aid code 9K, 50% county share)
3. Therapy Services (CCS aid code 9K, 50% county share)
4. Healthy Families Treatment Services (MEDS aid code 9H or OC and CCS aid code 9K or 9U, 17.5% county share)
5. Healthy Families Therapy Services (MEDS aid code 9H or OC and CCS aid code 9K or 9U, 17.5% county share)
6. Healthy Families 65%/35% Services (MEDS aid code 9H or OC and CCS aid code 9R, 0% county share)
7. The CCS Program/Medi-Cal Treatment Services (Medi-Cal Healthy Families Transition Presumptive Eligibility aid codes 5C and 5D, Targeted Low Income

Children's Program [TLICP] aid codes H1, H2, H3, H4, and H5, or Optional Targeted Low Income Children's Program [OTLICP] aid codes T1, T2, T3, T4, and T5, and the CCS Program aid code 9K or 9U, 17.5% county share).

8. The CCS Program/Medi-Cal Therapy Services (Medi-Cal Healthy Families Transition Presumptive Eligibility aid codes 5C and 5D, Targeted Low Income Children's Program [TLICP] aid codes H1, H2, H3, H4, and H5, or Optional Targeted Low Income Children's Program [OTLICP] aid codes T1, T2, T3, T4, and T5, and CCS aid code 9K or 9U, 17.5% county share).
9. Medi-Cal 65%/35% Services (Medi-Cal Healthy Families Transition Presumptive Eligibility aid codes 5C and 5D, Targeted Low Income Children's Program [TLICP] aid codes H1, H2, H3, H4, and H5, or Optional Targeted Low Income Children's Program [OTLICP] aid codes T1, T2, T3, T4, and T5, and CCS aid code 9R, 0% county share)

The process provided in this N.L. can be used to request claim line cost shifts only between certain funding categories on the report:

1. Costs can be shifted from funding categories 4 or 5 to funding category 6,
2. Costs can be shifted from funding category 7 or 8 to funding category 9.

The process cannot be used to shift costs from funding category 1, 2, or 3 to any other funding category.

The process cannot be used to shift costs for claims originally posted to any funding category on the MR-O-940 to regular Medi-Cal.

The shift in claim line costs from one of the MR-O-940 funding categories to another results in a credit (negative charge) to the funding category in which the cost originally posted and a debit (positive charge) to the funding category to which the claim line is shifted. This process is transparent to providers resulting in no recoveries from or new payments to providers. This process is required to be transparent to draw down federal financial participation (FFP) as it requires no changes to FFP accounting records generated by the California Medicaid Management Information System (CA-MMIS).

IMPLEMENTATION OF CLAIM LINE COST SHIFT PROCEDURES

Effective the date of this N.L., the procedures in the attached, "Procedures for Shifting Monthly County Expenditures Reports (MR-O-940) Claim Line Funding Category" shall be used to shift claim lines from one MR-O-940 funding category to another.

Requests for the shift of a MR-O-940 claim line funding category must be accompanied by complete documentation as specified in the attached and must be received by the SCD, the CCS Program, timely in order to be processed. MR-O-940 claim line corrections will only be processed for claim lines that originally posted to MR-O-940 reports with report dates during or subsequent to the second prior fiscal year. Requests for adjustment of claim lines with a value of \$20 or less may not be processed because the cost of the staff time necessary to request and process such an adjustment exceeds the value of the claim line.

The process established by this N.L. cannot shift costs to Medi-Cal for a beneficiary with a regular Medi-Cal aid code, e.g. 60, 83. Claims for beneficiaries with regular Medi-Cal aid codes that paid the CCS-only but which meet the criteria for shift to Medi-Cal because of establishment of retroactive Medi-Cal eligibility or obligation of Medi-Cal share of cost (SOC) late in a month, are now adjusted through a biannual process that has been integrated into the payment system. This process is analogous to the former cost shift to Medi-Cal Electronic Payment Correction (EPC). All cost shifts to Medi-Cal based on establishment of retroactive eligibility or obligation of SOC will be addressed by this process through two automatic correction cycles each calendar year. These cost shifts cannot be resolved through the MR-O-940 funding category adjustment process provided for in this N.L.

Claims for the CCS Program/Medi-Cal clients with full scope, no share of cost Medi-Cal that are reported on a MR-O-940 Report as incorrectly paid from the CCS-only funds (Funding Category 1 and 2) in lieu of Medi-Cal funds, will be researched on an ad-hoc basis by the fiscal intermediary (FI) contractor based on the documentation described below. If this research confirms that the claims have been incorrectly paid through the CCS-only funds, the FI will propose a correction methodology and implement the correction.

Such claims are to be reported on a CCS Program client specific basis to the state SCD Headquarters office as shown below. In order to enable the FI contractor's research of these reports, submission of the following documentation is necessary:

1. A brief narrative statement describing the basis for the conclusion that the claim was incorrectly charged to the CCS-only funds.
2. Copies of the MR-O-940 and/or MR-O-910 Report pages that contain the incorrect charge(s) with the claim line(s) highlighted. If multiple clients are shown on a specific page, counties are to redact the unaffected clients' information.

3. Copies of the Medical Eligibility Data System (MEDS) eligibility screen prints for the client showing:
 - a. The clients Medi-Cal eligibility on the date of service of the disputed claim line(s); and
 - b. The client's CCS Program eligibility on the date of service of the disputed claim line(s).

Upcoming Changes in Submission of MR-O-940 Procedures

The SCD has implemented a new process which now allows the counties to submit their MR-O-940 documents including an updated Attachment A via e-mail or electronic fax. Effective October 1, 2014, the counties can securely e-mail the MR-O-940 corrections to the state SCD Headquarters office at MR940@dhcs.ca.gov or send to a secure electronic fax at (916) 440-5769. When submitting via fax, please be sure to provide a fax cover sheet which includes the name of the sender and the appropriate contact information in case SCD staff have questions.

Upon receipt of the documents, SCD staff will review the documentation and, if approved by the state SCD Headquarters office, will be forwarded to Xerox for processing. The originated county will receive an e-mail informing them of the errors that have been submitted to Xerox.

A fillable version of Attachment A is available upon request. If counties have questions regarding this new process or wish to obtain the fillable form, a secure e-mail can be sent to Mr. James Delgado at james.delgado@dhcs.ca.gov or to Ms. Marcia Brown at marcia.brown@dhcs.ca.gov.

Sincerely,

ORIGINAL SIGNED BY LOUIS R. RICO

Louis R. Rico, Chief
Systems of Care Division

Attachment A

**ATTACHMENT A
REPORT TO CORRECT MR-O-940 ERRORS**

TO: SYSTEMS OF CARE DIVISION
DEPENDENT COUNTY OPERATIONS SECTION
Attention: Correspondence Processing and Review Unit

DATE: _____

Report Run Date: _____

FROM: _____

RE: **CALIFORNIA CHILDREN'S SERVICES (CCS) PROGRAM
CORRECTION OF ERROR(S) ON MR-O-940 REPORTS**

Fund Code: (1) CCS DX Services; (2) CCS TR SERVICES; (3) CCS TH=Therapy SERVICES; (4) HF TR SERVICE; (5) HF TH SERVICES;
(6) HF 65%/35%; (7) CCS/MED TR SERVICES; (8) CCS/MED TH; (9) CCS/MEDI-CAL= 65%/35%.

Name of Child	Date of Birth	CCS #	Date(s) of Service	Amount	Charged in Error		Correct Charge	
					Fund Code	County	Fund Code	County

Total Amount to be Adjusted: \$ _____

Comments: _____

The expenditures identified above were charged in error. Please make the appropriate adjustments to show these expenditures in the correct fund code and county.

County Signature: _____ Date: _____ Email: _____

Title: _____ Telephone Number: _____