



### Long Term Care

#### October 2007 • Bulletin 368

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*Medi-Cal Training Seminars*

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#### 'Adjudication Response Notice' and Other TAR Updates

As announced in the May and June 2007 *Medi-Cal Update*, providers will no longer receive TAR-adjudication results on a paper *Treatment Authorization Request* (TAR). Instead, providers will receive an *Adjudication Response* notice (ARN) with the following information, as appropriate:

- The status of the requested services
- Information required to submit a claim for TAR-approved services
- The reason(s) for the decision(s)
- TAR decisions resulting from an approved or modified appeal
- The TAR consultant's request for additional information, if necessary

The provider manual is being updated with ARN information, including instructions for providers to substitute an ARN for a paper TAR when submitting claims for certain services. For example, if a copy of a paper TAR was required when submitting a claim for medical supplies, now an ARN will be required with the claim instead. Providers will also submit an ARN with a new TAR for an appeal and with requests for TAR updates and/or corrections.

#### Provider Telecommunications Network

Several Provider Telecommunications Network messages have been updated to include ARN instructions.

#### eTARs

Certain providers can create, update and inquire on TARs through the online eTAR system. The eTAR system's online screen displays field office consultants' response(s). The eTAR system is not available for all provider types or for all services at present, but is being activated on a phased-in basis.

#### Assembly Bill 2877

Additionally, text concerning "prior" authorization is continuing to be updated as a result of Assembly Bill 2877 (July 2000) and *California Code of Regulations* (CCR), Title 22, Section 51003.1. This legislation stated that TARs would be reviewed for medical necessity only, which eliminates the previous timeliness requirements for TAR submissions. The updates include, but may not be limited to, the following:

- Revision of the term "prior authorization" to "authorization"
- Removal of many instructions related to retroactive TARs
- Removal of all instructions related to clock-stopping initial TARs

Due to the scope of "prior authorization" information in the manual, these updates will be ongoing.

*This information is reflected on manual replacement pages [prov tele 16, 17, 19 and 20](#) (Part 1), [tar field 1](#) (Part 2), [tar ltc 1 thru 8](#) (Part 2) and [tar submit 1](#) (Part 2).*

**Institutions for Mental Diseases Reimbursement Rate Update**

Effective retroactively to July 1, 2007, rates are updated for selected Nursing Facilities Level B (NF-Bs) designated as Institutions for Mental Diseases (IMDs) and billing for residents 65 years of age and older. These facilities are exempt from Assembly Bill (AB) 1629 facility-specific rate methodology and the Quality Assurance Fee (QAF) program.

For more information, see “AB 360 (2005)” in the *Rates: Facilities* section of the Part 2 manual.

In addition, the rate reduction for leave of absence and bed hold for acute hospitalization is changed from \$5.30 to \$5.43 per diem for dates of service on or after August 1, 2007.

*Updates are reflected on manual replacement pages rate facil diem 1 thru 6 (Part 2).*

**2008 ICD-9-CM Code Updates Delayed**

Medi-Cal providers are asked not to bill for services using 2008 ICD-9-CM codes until notified to do so in a future *Medi-Cal Update*. The Medi-Cal program has not yet adopted the 2008 updates for ICD-9-CM for Volume 1 (disease diagnoses) and Volume 3 (inpatient procedure codes) of the *2008 International Classification of Diseases, 9<sup>th</sup> Revision, Clinical Modification, 6<sup>th</sup> Edition*.

**Note:** Updates to the 2008 ICD-9-CM codes for Volume 1 and Volume 3 will be effective for Medicare on October 1, 2007.

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Remove and replace  
after the *Manual*

Organization tab:      *Manual Organization A-1/A-2 \**

Remove and replace:    cif co 9/10 \*  
                                  incont sup 3 thru 5 \*  
                                  leave 1/2 \*  
                                  medi cr ltc 9/10 \*  
                                  oth hlth 7/8 \*  
                                  rate facil diem 1 thru 6  
                                  tar field 1/2  
                                  tar ltc 1 thru 8  
                                  tar submit 1

\* Pages updated due to ongoing provider manual revisions.