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

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June 25, 2007

MEDI-CAL ELIGIBILITY PROCEDURES MANUAL LETTER NO.: 306

TO: ALL HOLDERS OF THE MEDI-CAL ELIGIBILITY PROCEDURES MANUAL

SUBJECT: REVISIONS TO MEDI-CAL PROCEDURES MANUAL ARTICLE 14E LETTER OF AUTHORIZATION (LOA)/MC 180 OVER-ONE-YEAR FORM

Enclosed is an update for the process and procedures of the LOA/MC 180 over-one-year letter form. This update provides revisions to the current process.

FILING INSTRUCTIONS:

Remove Pages:	**Insert Pages:**
Procedures Manual 14E	Procedures Manual 14E
Pages 14E-1 thru 14E-4	Pages 14E-1 thru 14E-7

If you have any questions, please contact Mr. Craig Yagi at (916) 552-9522.

Original signed by

Maria Enriquez, Chief
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Enclosures

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14E—LETTER OF AUTHORIZATION (LOA)/MC 180 PROCESS

The county welfare department shall not issue a Letter of Authorization (LOA) original numbered MC 180 except as provided by Section 50746. Section 50746 limits issuance of LOA/MC 180 to: 1) those Medi-Cal beneficiaries whose Supplemental Security Income/State Supplementary Payment (SSI/SSP) eligibility was approved but the California Department of Health Services (CDHS) did not or could not update the Medi-Cal Eligibility Data Systems (MEDS), 2) court ordered, 3) state or other administrative hearing decisions, 4) county administrative errors, 5) and State CDHS request.

According to Section 50746 of Title 22 of the California Code of Regulations, a county shall not provide a LOA to any Medi-Cal beneficiary more than one year subsequent to the month of eligibility, unless one of the five conditions are met. The purpose of the LOA is not to provide documentation for late provider billing, but rather late eligibility determinations. Hence, the issuance of the LOA must be directly related to the time of late eligibility determination.

The issuance of an LOA is an exception in federal law for a provider to submit a claim one year after the date of service. Therefore, an inappropriate issuance of an LOA causes an inappropriate claim for payment to be submitted to the federal government. Under the federal False Claims Act (31 U.S.C.A. § 3729), the federal government can bring civil action against persons who knowingly present a false or fraudulent claim for payment. Penalties include treble the amount of damages caused plus a penalty of $5000 to $10,000 for each false claim. The government does not have to prove specific intent to defraud. A person may be liable if he or she has actual knowledge of the false claim, or acts in deliberate ignorance or in reckless disregard of the truth or falsity of the relevant information.

1. LETTER OF AUTHORIZATION/MC 180 ISSUANCE FOR SSI/SSP RECIPIENTS ONLY

The period of SSI/SSP-based Medi-Cal eligibility begins with the month SSI/SSP cash assistance payment should have been paid. This is usually the month following the month of application if the person was found eligible in that month. In case of a disabled individual under the age of 21, who applies for SSI/SSP in or after February 2007, Medi-Cal eligibility begins with the month of SSI/SSP application if the child was found eligible in that month even though no cash payment was issued for that month. However, the Medi-Cal Eligibility Data System (MEDS) may not automatically update due to CDHS interface problems with Social Security Administration or when SSI/SSP retroactive benefits exceed 13 months. Since the person was entitled to Medi-Cal eligibility, but CDHS did not add, or could not add, eligibility to MEDS, this is considered a state administrative error.

Before issuing an original numbered LOA/MC 180 to an SSI/SSP recipient who requests a LOA more than one year after the date of service, the county must ensure that the claimant was eligible for SSI/SSP in the month for which a request is being made. The claimant must obtain from Social Security proof of his/her SSI/SSP eligibility for the month in question. (See Section 50167 (a)(1)(B) for examples of acceptable proof of SSI/SSP eligibility). The documents most often provided pursuant to this section would be an “award letter” or a letter from the Social Security Administration containing the information from the award letter.

Please note, a request for MC 180(s) must be timely as described under 3, paragraph 6.

2. DEFINITION OF ADMINISTRATIVE ERROR

As mentioned above, one of the reasons listed in Section 50746 for issuance of an LOA/MC 180 for billing beyond the one-year limit is if an administrative error occurred. An administrative error is defined as an erroneous action, or a required action not taken, which resulted in the failure of the county or the state to provide a Benefits Identification Card (BIC) along with adding eligibility to MEDS within one year of the date of service when the eligibility determination has been conducted in accordance with state regulations, policy and procedures.

Some examples of acceptable administrative errors include the following:

- Failure of the county welfare department to approve a Medi-Cal application by a potentially eligible individual due to legitimate errors made in the course of determining eligibility (e.g., an applicant was denied, but should have been approved, and did not file an appeal, or an applicant's file was misplaced and eligibility was never determined.)

- Failure to mail the BIC to the correct address because the MEDS address was not updated in a timely manner after the beneficiary had reported a change in address.

- The county updates Medi-Cal eligibility on MEDS within one year, but eligibility is incorrectly established on a restricted aid code instead of full scope benefits. Consequently, providers could not bill for non-restricted services for which a beneficiary was entitled (e.g., MEDS shows a Medically Indigent/Long-Term Care (53) aid code and the applicant was eligible for acute care services in that month under another aid code).

It is not possible to list all examples of an administrative error. If the county is unsure whether a particular situation meets the definition of an administrative error, the Medi-Cal Eligibility Branch should be contacted for clarification.

3. ADMINISTRATIVE ERROR PROCEDURES

Whenever an administrative error occurs, it must be documented and described fully in the case file or county automated system journal as soon as possible after the error has occurred or has been identified.

Counties must take precautions to ensure that case-processing delays, which are the result of routine errors in filing, photocopying, etc, do not contribute excessively to the incidence of administrative errors.

It is usually a request from a beneficiary for an LOA/MC 180 to pay for bills more than one year after the date of service that starts the process to determine if an administrative error occurred. However, there are situations, as limited by Procedures Section 14D, in which a request from an acute care hospital or primary care clinic can generate an administrative error determination. Participating providers can easily obtain eligibility information on any Medi-Cal patient up to 13 months (current month and previous 12 months) through the Automated Eligibility Verification System. This should help providers obtain eligibility information timely and thereby avoid having to request an LOA because of an administrative error determination at a later date.

Should the county find that an administrative error has occurred, an original numbered LOA/MC 180 must be completed with the "administrative error" line checked, and a description of the administrative error given, with the appropriate provider and case information provided (Client Identification Number (CIN), application date, eligibility worker's name, phone, and etc.). The LOA/MC 180 that is given to the beneficiary (for the provider) must bear the original signature of the county authorized staff person. Photocopies will not be accepted.
A category exists to accommodate Social Security Administration decisions that approve SSI/SSP benefits for periods beyond a year when SSI/SSP based Medi-Cal benefits are to be issued beyond the one-year limit.

The beneficiary should request a Medi-Cal LOA/MC 180 within six months of the decision or four months from date of State Data Exchange update. This requirement is explained on the form MC 19 mailed to all new SSI/SSP recipients. Exceptions due to unusual circumstances should be referred to Medi-Cal Eligibility Branch.

If the county finds that an administrative error does not exist in a particular situation, but extenuating circumstances exist beyond the beneficiary's or the county's control, the county may contact the Medi-Cal Eligibility Branch for assistance. Please be advised that billing problems are not by themselves considered an extenuating circumstance. Furthermore, beneficiaries who are sent to collections after presenting their BIC to the provider should be told that Welfare and Institutions Code, Section 14019.4 precludes a provider from billing the beneficiaries in these situations.

An example of extenuating circumstances beyond a beneficiary's control would be a medical condition that severely impaired his/her functioning. Additionally, the beneficiary would need to describe how this reduced function prevented him/her from giving the provider(s) the necessary documentation of his/her Medi-Cal eligibility.

The Medi-Cal Eligibility Branch will evaluate whether an LOA/MC 180 can be issued pursuant to Title 22, CCR, Section 50746 (a)(4), which provides for an LOA/MC 180 to be issued by CDHS request. The procedure to seek CDHS authorization for issuance in these cases is as follows:

- The request must be written on county letterhead;
- It must list chronologically the sequence of events in the processing of the case and the circumstances surrounding the error;
- It must carry the original signature of a County Welfare Department Director or his/her CDHS-approved designee (photocopied signatures will not be accepted); and;
- The request must be accompanied by an original LOA/MC 180 for each provider. However, in the event that one provider is billing for services for more than one month, one original LOA/MC 180 is sufficient.
- To insure proper use of this form, please cross out any months/years that are not being requested or not being used on the LOA for Medi-Cal billings.

In the event that CDHS, upon consideration of the request, authorizes issuance of an LOA/MC 180, the LOA(s) will be signed by an authorized CDHS staff person and returned to the county.

4. LOA/MC 180 RETENTION

Standard retention policies provided in Procedure Section 2G apply. A case copy and supporting eligibility documentation must be retained at the County Welfare Department (CWD). When the LOA/MC 180 is for a beneficiary in an active public assistance case, the county must file a copy of the LOA/MC 180 with supporting documentation in the county case record. When the LOA/MC 180 is for a beneficiary whose public assistance case has been closed prior to the month of the LOA/MC 180, the LOA/MC 180 and supporting documents must be retained in a central file that is accessible for audit purposes. This action prevents the forms and documents from being purged too early based on the case closure date.

In those situations in which an LOA/MC 180 is issued for a beneficiary (such as an SSI/SSP recipient) who does not have a county public assistance case, a central file must be retained for future review that includes a copy of the LOA/MC 180 and documentation that supports the issuance of the LOA/MC 180.

5. LOA/MC 180 LOG

If LOAs are being distributed by more than one office in the county, it is mandatory that a central log be maintained that identifies all issued LOAs. Counties can create their own LOA LOG, but must contain the minimum following information.

- LOA Document Number
- Issuance Date of LOA/MC 180
- First and last name and middle initial if appropriate of LOA beneficiary
- CIN of LOA beneficiary
- Month/Year of Requested Medi-Cal Billing
- Filing location of LOA/MC 180 and supporting documentation, that is in CWD case file (include CWD Case Number) or in Central LOA/MC 180 file.

The LOA/MC 180 document stock should be maintained in a secured area until the forms are issued to beneficiaries

*MC 180 LOG

County Name: _____ District Name: _____

MC 180 Number	Beneficiary Name	Case # or CIN #	Date of Issuance	Comments
1).				EX: SSI approved retroactively per verification received from SSA. Issuing LOA at Client's request for months with medical bills outstanding.
2).				
3).				
4).				
5).				
6).				
7).				
8).				
9).				
10).				
11)				

*This is an example form only and is not maintained by DHS. Counties may use this format or create their own form as needed.

6. LOA/MC 180 FORM COMPLETION

Individual LOA/MC 180 forms are to be completed for each provider from whom the Medi-Cal beneficiary has received services that are to be billed under the LOA/MC 180 process. The form has been designed so that more than one month can be listed on the form. Line through any MO/YR spaces that are not needed and do not leave any blank spaces. The copy with the original CWD signature is to be given to the beneficiary. The bottom case copy is to be retained in the county case file or in the central file when a county case is not available.

- Issuance Date of LOA/MC 180- this is the date the form is being completed and signed
- Provider name – this information is listed in the left top corner of the form (optional)
- Provider Number (optional)
- Beneficiary name and address
- Issuing County – this information is listed in the right top corner of the form
- CIN/Pseudo No. - this is the client identification number or MEDS Pseudo
- COUNTY I.D.- this is the county ID that should have been assigned based on MEDS requirements.
- Date of Approval – SSI only
- Worker Name – when there is no current worker, this should be the name of the person signing the form
- Worker File Number – when there is no current worker, leave blank
- Worker Telephone Number – when there is no current worker, this should be the number of the person signing the form.
- Other Health Coverage Code – enter the appropriate code based on MEDS requirements.
- Check appropriate Reason Box for LOA issuance. If CDHS requests issuance, an original signature of authorized CDHS staff person is needed. If an Administrative Error has occurred, a description must be listed
- Signature – authorized CWD official

The bottom of the form contains the address of the Electronic Data System Federal Corporation. All LOA/MC 180 forms are to be sent to this corporation by the provider.

STATE OF CALIFORNIA - HEALTH AND HUMAN SERVICES AGENCY
CALIFORNIA DEPARTMENT OF HEALTH SERVICES

ELIGIBILITY LETTER OF AUTHORIZATION

Document Number

Issuance Date of MC-180: _____ Date

Provider Name _____

Provider No. _____

Beneficiary's Name, Address, City, State and Zip

BENEFICIARY NAME

ADDRESS

CITY STATE ZIP

Issuing County:
SSN / Pseudo No./CIN No.:
County I.D.:
Date of Approval (SSI only):
* Worker's Name:
* Worker's Number:
* Worker's Telephone #:
Other Health Coverage (Code):

MEDI-CAL BILLING FOR: Mo. Yr. Mo. Yr. Mo. Yr. Mo. Yr. Mo. Yr. Mo. Yr. Mo. Yr. Mo. Yr. Mo. Yr. Mo. Yr. Mo. Yr. Mo. Yr.

This original numbered MC-180 is approval for Medi-Cal providers to bill services provided to you during the above referenced months. An MC-180 is being issued in accordance with Title 22, California Code of Regulations (CCR) Section 50746. This regulation permits county welfare departments to issue documentation of eligibility which can be used by beneficiaries for periods more than one year after the month of service as a result of one of the following reasons:

1. ☐ SSI/SSP eligibility was approved for a retroactive period but cards were not issued by the California Department of Health Services.
2. ☐ A court order requires that Medi-Cal be issued.
3. ☐ A State Hearing or other administrative hearing decision requires that Medi-Cal be provided.
4. ☐ The California Department of Health Services requests that Medi-Cal be issued. (Original signature of an authorized CDHS staff person: _____).
5. ☐ An Administrative Error has occurred.
(Description) _____

Please immediately give your doctor or other medical provider this form for the applicable month(s)/year(s) of service.

If you were provided services by more than one doctor or provider, please contact your local welfare office immediately to obtain additional original form(s).

INSTRUCTIONS TO PROVIDER
Submit this form, along with the claim(s), to:

EDS Federal Corporation
Attention: Over-One-Year-Unit
P.O. Box 13029
Sacramento, CA 95813-4029

If this service you are billing for requires a Treatment Authorization Request (TAR) you must still send your TAR request along with this form to the Medi-Cal Field Office. After approval you must send them both to the address above. This form does not override the TAR process.

_____
(Original Signature of Authorized County Administrative Staff)

* This information is not needed when eligibility is established by the Social Security Administration.

MC 180 (2/06)

County Copy