

DEPARTMENT OF HEALTH SERVICES

714/744 P STREET
SACRAMENTO, CA 95814
16) 445-1912



December 4, 1981

To: All County Welfare Directors

Letter No. 81-54

COUNTY CARD ISSUANCE TO PROVIDERS

As a result of the decision in California Hospital Association (CHA) vs. Obledo, the Department of Health Services has been ordered to cease the current practice of providing proof of Medi-Cal eligibility labels to some providers of medical services and not to others. Since AB 251 allows provider claims to be submitted without proof of eligibility (POE) labels attached, the response to the court order will be to eliminate direct issuance of proof of eligibility to any provider. Therefore, effective upon receipt of this letter, county welfare departments shall not supply any Medi-Cal provider with POE labels unless the beneficiary is deceased.

The fiscal intermediary (Computer Sciences Corporation) is able to process claims for payment without POE labels attached by comparing the beneficiary ID number on the claim of the Eligibility History File (EHF). Therefore, it is extremely important that the county transmit eligibility information to the state in a timely, accurate manner. Providers are encouraged to continue obtaining labels from the beneficiary to serve as a back-up proof of eligibility if a record does not appear on the EHF.

Another bill, AB 1260, which was recently enacted and clarified AB 251, states in part:

"...County welfare departments may provide Medi-Cal eligibility information to other governmental agencies and their designated agents as necessary for proper administration of the Medi-Cal program."

Therefore, counties may continue to provide eligibility information (month of eligibility, beneficiary ID number, other health coverage, Medicare coverage, PHP enrollment and any limited services status) to such providers. However, the fiscal intermediaries (Computer Sciences Corporation, California Dental Service and Redwood Health Foundation) cannot accept written eligibility information provided by the counties as proof of eligibility for claims processing purposes.

Attached, for your information and use as needed, is a notice to providers indicating that POE labels will no longer be made available to them by the county. Copies of the notice have been sent to county owned/contract hospitals, university hospitals, state hospitals, county health officers and county mental health officers.

All County Welfare Directors

-2-

December 4, 1981

A Medi-Cal Manual revision will be issued shortly to modify card issuance procedures to reflect this change. If you have any questions regarding this change, please contact your Medi-Cal program consultant.

Sincerely,

Original signed by

Madalyn M. Martinez, Chief
Medi-Cal Eligibility Branch

Attachment

cc: Medi-Cal Liaisons
Medi-Cal Program Consultants

Expiration Date: June 30, 1982

DEPARTMENT OF HEALTH SERVICES

714/744 P STREET
SACRAMENTO, CA 95814

16) 445-6141

Dear Provider,

As a result of the court's decision in California Hospital Association (CHA) v. Obledo, the Department of Health Services has been ordered to cease the current practice of providing Medi-Cal Proof of Eligibility (POE) labels to some providers of Medi-Cal services and not to others. Assembly Bill 251, which recently was signed into law, provides that the department cannot deny medical claims solely because a POE label is not attached.

The fiscal intermediary (Computer Sciences Corporation) is able to process claims for payment without POE labels (as long as the fourteen digit beneficiary identification number is on the claim form). The response to the court order will therefore be to eliminate direct issuance of POE labels to any providers. County welfare departments are being notified that effective immediately they should no longer supply POE labels to any provider unless the beneficiary is deceased.

Recent passage of AB 1260, clarifying AB 251, states in part:

"...county welfare departments may provide Medi-Cal eligibility information to other governmental agencies and their designated agents as necessary for proper administration of the Medi-Cal program."

Therefore, counties may continue to provide eligibility information (month of eligibility, beneficiary ID number, Medicare coverage, other health coverage, PHP enrollment and any limited service status) to such providers. However, the fiscal intermediaries (Computer Sciences Corporation, California Dental Service and Redwood Health Foundation) cannot accept written eligibility information provided by the counties as proof of eligibility for claims processing purposes. You are still encouraged to obtain labels from the beneficiary and include them on your claim form whenever possible.

Sincerely,

Original signed by

Elisabeth H. Lyman
Deputy Director
Health Care Policy and
Standards Division