STATE OF CALIFORNIA—HEALTH AND WELFARE AGENCY GEORGE DEUKMEJIAN, Governor

DEPARTMENT OF HEALTH SERVICES
714/744 P STREET
SACRAMENTO, CA 95814

May 12, 1983

To: All County Welfare Directors
County Welfare Data Processing Departments

Letter No. 83- 35

DENIAL OF CLAIMS - MEDI-CAL ELIGIBILITY DATA TRANSMISSION AND PROCESSING

The Eligibility Branch has become increasingly aware of the discontentment in the Medi-Cal provider community caused by the denial of claims for services provided to apparently eligible Medi-Cal beneficiaries. The purpose of this letter is to reduce the number of denied claims by resolving issues that can be identified as Medi-Cal eligibility processing problems. The resolution process will address three areas. First, we will examine the Department of Health Services (DHS) processing of Medi-Cal eligibility data. Second, we will attempt to clarify some general county welfare department procedures where errors might occur. Third, we will examine the claims processing system and identify problem areas that will cause the denial of claims.

To accomplish the first segment of this process, DHS staff will analyze the DHS eligibility data processing of selected beneficiary records. This analysis requires information from the county welfare departments in identifying cases where provider claims for services have been denied for apparently eligible beneficiaries. In order for us to conduct this analysis, we request that each county send us up to ten such cases. For each case, please include the name of the beneficiary, the 14-digit identification number, the date of birth, the date and reason for denial of the claim, a copy of the CID register (which lists the beneficiary) and the date of the CID register.

By tracking eligibility records for the most recent cases of denied claims (month of eligibility - October 1982 to present) through the DHS Medi-Cal processing system, we will be able to isolate problems in the DHS processing system. To assist us in our effort to reduce the number of denied claims, please submit the necessary information by May 15, 1983 to:

Department of Health Services
Medi-Cal Eligibility Branch/
Operations Unit
Attention: Denied Claims Project
714 P Street
Sacramento, CA 95814

To accomplish the second segment of this process, we have described below some general processing procedures that should help to reduce the number of processing errors in the Medi-Cal eligibility data system. These procedures are a restatement of established DHS policy and should not be viewed as new procedural changes. Failure to follow these procedures may result in the loss of Medi-Cal eligibility data and in the denial of claims.

1. All counties should receive system reports that indicate the status of Medi-Cal eligibility records processed by DHS. These reports indicate that either a Medi-Cal ID card has been produced or the eligibility record has been rejected by the processing system.

   The Medi-Cal ID Card Register List (CID Register) is the report that confirms that a Medi-Cal ID card has been produced. The CID Register should be used as documentation, by the county when addressing discrepancies, in beneficiary eligibility records, between county and state Medi-Cal agencies.

   The counties also receive error reports that list eligibility records that have been rejected from the DHS processing system. Eligibility records that have been rejected by the DHS system must be corrected and resubmitted in order for a Medi-Cal ID card to be produced. Non-MEDS counties receive the Medi-Cal ID Card Exception List. MEDS counties receive the MEDS County Eligibility Worker Alert 5.1.1.1. The correction and resubmission of rejected on these reports is crucial to the accurate production of Medi-Cal ID cards.

   If the record is not on the CID register or the error report, the Eligibility Branch should be contacted immediately.

2. For beneficiaries with a share of cost, the completed MC 177SA-M (Record of Health Care Costs) must be sent to the DHS - Benefits Review Unit (BRU) as soon as the county worker has verified that the share of cost has been met (Title 22, California Administrative Code, Section 50658). If the completed MC 177SA-M is not sent to BRU, the DHS eligibility records cannot be updated to certify the share of cost has been met. Subsequent claims submitted by Medi-Cal providers will be denied if the Medi-Cal eligibility processing system indicates no share of cost certification date and there is an absence of a Medi-Cal ID card label.

3. A related share of cost issue is the correct use of the CID Transaction Codes for Medi-Cal share of cost cases. Non-MEDS counties should report the Medi-Cal share of cost cases to DHS, via the CID system, using a Transaction Code 4. CID Transaction Code 4 will indicate that the share of cost has not been met and the system will

suppress the issuance of a Medi-Cal ID card until the MC 177SA-M is returned to BRU and the certification date is entered into the system. If share of cost cases are incorrectly reported to the CID system with a Transaction Code 1, a card will be issued and an eligibility record will be sent to the fiscal intermediary without a certification date. To prevent the denial of claims by the fiscal intermediary (due to the absence of a share of cost certification date), the share of cost eligibility record should be submitted to the CID system with a Transaction Code 4. Counties should use Transaction Code 1 to request a Medi-Cal ID card only when the case is a Long-Term Care (LTC) case and the share of cost will be met at the LTC facility.

4. Counties should never reissue the 14-digit Medi-Cal identification number once it has been assigned to a person. The Computer Science Corporation (CSC) claims processing system does not accept claims with ID numbers previously assigned to another person. To prevent the denial of claims for this reason, counties should insure that Medi-Cal ID numbers are not reissued.

5. Counties should insure the accurate submittal of eligibility records to DHS. The accurate reporting of name, birthdate, sex and Social Security Number (SSN) is critical to the claims processing system. If two of these data elements do not match the existing CSC eligibility history record, the claim will be denied. Counties should strive to report the correct name, birthdate, sex and SSN on the initial submittal of an eligibility record and consistently report the same information on any subsequent eligibility records submitted to DHS. This is particularly important when submitting information on the Control Log for MC 301 (Temporary Card - HAS-2007). Because there is no name field on this input document, the remainder of the identifying information (birthdate, sex code, and SSN) must match the CSC eligibility history record.

The third segment of the resolution process will examine the fiscal intermediary's claims processing system to identify problems that may result in the erroneous denial of claims. By examining the claims processing system output records, we hope to be able to identify system problems and modify the edit criteria to be less strigent. We also plan to develop a mechanism for reconciling discrepancies between the DHS eligibility history files and the fiscal intermediary eligibility history files.

By isolating the Medi-Cal processing system into three distinct groups (county systems, state systems and claims processing systems) we will be able to more clearly identify specific problems involving the processing of Medi-Cal eligibility data.

If you have any questions regarding this letter, please contact Wayne Shimizu, Operations Unit, at (916) 445-1912 or ATSS 485-1912.

Sincerely,

ORIGINAL SIGNED BY

Jo Ann Wray
Acting Deputy Director
Health Care Policy and
Standards Division

cc: Medi-Cal Liaisons
Medi-Cal Program Consultants

Don Knifong
MEDS Project
1215 16th Street