

## DEPARTMENT OF HEALTH SERVICES

714/744 P STREET  
SACRAMENTO, CA 95814

October 21, 1983



To: All County Welfare Directors

Letter No. 83- 68

QUALITY CONTROL ERROR/CORRECTIVE ACTION ON HEALTH INSURANCE BENEFITS

The Department of Health Services (DHS) has initiated a series of letters informing counties of Medi-Cal Eligibility Quality Control (MEQC) errors and identifying appropriate corrective action activities. This letter is another in the series.

QC Error

QC reviews indicate a number of errors in deductions to income occur because the county allows a deduction for health insurance premiums to which the beneficiary is not entitled. These errors occur because:

1. Counties accept the beneficiary's statement of health insurance coverage, and the amount of premium paid, without requiring verification.
2. Beneficiaries fail to report termination of health insurance benefits, especially when this produces an increase in their net pay.

Dollar errors occur because an incorrect health insurance deduction is allowed, causing an incorrect share of cost.

In addition, case reviews have indicated county departments do not always report on beneficiaries' other health coverage (OHC). This failure increases Medi-Cal program costs because Medi-Cal may never identify and recover for services which should be reimbursed by the OHC carrier. In addition, providers could not bill the OHC carrier first, thereby avoiding costs to the Medi-Cal program.

Corrective Action

Title 22, California Administrative Code, Section 50167(a)(7)(T) requires:

"Health insurance benefits available through employment, retirement or military service... shall be verified by viewing those insurance policies which specifically name the applicant, health benefit identification cards, or letters from health care benefit providers."

Such verification is required at both application and redetermination.

The worker should note in the case record what type of verification was provided.

Beneficiaries, especially those who have private insurance to supplement their Medicare, may drop this health insurance once Medi-Cal eligibility is established. The county worker should emphasize to such persons or their authorized representative that they must report to the county department if they drop their health insurance.

Reporting Other Health Coverage

If the Medi-Cal applicant or beneficiary reports entitlement to health insurance benefits, the county department is required to:

1. Code other health coverage information on the MED/CID record using the coding system designated in Medi-Cal Eligibility Manual Procedure Section 15 A — "Coding Other Health Coverage".
2. Require the applicant/beneficiary to complete a Health Insurance Questionnaire (HRB2A).
3. Submit the completed Health Insurance Questionnaires to DHS' Recovery Branch following the procedures outlined in Procedure Section 15 A.

If you have any questions on Recovery Branch procedures, please contact Glenda Arellano at (800) 952-5294. Questions on corrective actions should be directed to your Corrective Action Consultant. The name and phone number of your corrective action consultant can be found on the attached list.

Sincerely,

ORIGINAL SIGNED BY

Caroline Cabias, Chief  
Eligibility Branch

cc: Medi-Cal Liaisons  
Medi-Cal Program Consultants

Attachment

COUNTY ASSIGNMENTS WITHIN THE CORRECTIVE ACTION UNIT

<u>Flo Beller</u> (916) 324-4974	<u>Tom Dickson</u> (916) 322-3393	<u>Sid McKinney</u> (916) 445-4613	<u>Linda O'Hanlon</u> (916) 322-6454	<u>Mike Summers</u> (916) 322-5068
Amador	Alameda	Butte	Contra Costa	Glenn
Alpine	Colusa	Del Norte	Monterey	Lake
Calaveras	El Dorado	Fresno	Nevada	Los Angeles
Imperial	Kern	Humboldt	Orange	Marin
San Diego	Madera	Inyo	Plumas	Mendocino
San Joaquin	Mariposa	Kings	Sacramento	Napa
San Mateo	Merced	Lassen	San Benito	San Francisco
Santa Barbara	Placer	Modoc	San Luis Obispo	Tehama
Santa Clara	Solano	Mono	Santa Cruz	
Tuolumne	Stanislaus	Riverside	Sierra	
Ventura	Sutter	San Bernardino	Siskiyou	
	Yolo	Shasta	Sonoma	
	Yuba	Trinity		
		Tulare		