

DEPARTMENT OF HEALTH SERVICES

714/744 P STREET
SACRAMENTO, CA 95814

December 2, 1983



To: All County Welfare Directors

Letter No. 83- 76

DENIED CLAIMS - PROVIDER CLAIMING PROBLEMS

The Department of Health Services (DHS) has initiated an ongoing effort to identify and resolve Medi-Cal claims payment problems relating to eligibility. This letter is to review two such provider claiming problems identified as a result of this effort. Medi-Cal providers who have asked for assistance from county welfare departments should be informed of the problems described in this letter.

The two provider claim problems relate to the incorrect use of the 14 digit Medi-Cal ID number on the claim document.

1. For claims not containing a Medi-Cal card label, the Medi-Cal ID number entered on the claim form is the only means of verifying recipient eligibility. If the Medi-Cal ID number is incorrect (transposed digits, missing digits, etc.), then eligibility cannot be verified and the claim will be denied. An accurate and complete 14 digit Medi-Cal ID number must be entered on the claim form to avoid such denials. However, when no label is affixed to the submitted claim, the ID number on the claim is matched to the Recipient Eligibility History File (REHF). If no matching information is found on the REHF, the claim will be held for two more processing cycles. If no matching information is found by the third cycle, the claim is rejected.
2. It is not unusual for a Medi-Cal recipient's aid category and/or county identification number to change from one month to the next. Such a change creates a new unique eligibility record for the recipient. For example, a Medi-Cal beneficiary may have a share of cost for the month of January; the Medi-Cal ID number could be 34-37-1234567-0-01. In February, the beneficiary may be eligible for SSI/SSP due to a disability; the ID number could then change to 34-60-9123456-7-89. The January ID number should be used for all claims for services provided in January and the February ID number should be used for all claims for services provided in February. Otherwise, the claims may be denied. Currently, an ID number issued for any given month is valid for the entire month but not necessarily for any subsequent or prior month.

The problems described above may be more prevalent among providers who use a computer billing service or have computerized accounts. The computerized billing service personnel may take the first ID number, enter it on their file for that beneficiary and never update any change in number. Conversely, the computer billing service personnel may update their files with the new number and completely eliminate the old number, thereby eliminating the ability to bill accurately for prior

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month services. Computer billing services should be made aware of these possibilities to avoid the potential problems.

Both problems discussed in this letter have had more impact on claims processing since the implementation of labelless billing. When the claim is suspended for lack of eligibility, the fiscal intermediary claims examiner cannot override the error unless there is a valid label. Providers are encouraged to obtain a Medi-Cal label or copy of the card or label and affix it to the claim whenever possible.

If you have any questions regarding provider claiming procedures, please contact the DHS' Provider Relations Section at (916) 322-8451.

Sincerely,

ORIGINAL SIGNED BY

Caroline Cabias, Chief
Eligibility Branch

cc: Medi-Cal Liaisons
Medi-Cal Program Consultants