

**DEPARTMENT OF HEALTH SERVICES**

714/744 P Street  
P.O. Box 942732  
Sacramento, CA 94234-7320  
(916) 657-2941



June 7, 1996

TO: All County Welfare Directors  
All County Administrative Officers  
All County Medi-Cal Program Specialists/Liaisons

Letter No.: 96-26

**REDUCTION OF MEDI-CAL OTHER HEALTH COVERAGE CODES (OHC) AND CODE "F" FOR MEDICARE HEALTH MAINTENANCE ORGANIZATION (HMO)**

The purpose of this letter is to inform you of new procedures regarding the assignment of OHC codes. This replaces All County Welfare Directors Letter (ACWDL) No. 96-18, which erroneously omitted the word "not" on page two, second paragraph, second sentence. The correction is noted in bold print. Please discard ACWDL No. 96-18 and replace it with this letter.

Medi-Cal Eligibility Procedures Manual, Article 15A, requires county staff to identify health insurance coverage and to enter an OHC code on the Medi-Cal Eligibility Data System (MEDS) at the time eligibility is determined or redetermined, or at any time a beneficiary reports a change in coverage. To simplify assignment of OHC codes, we are reducing the number of OHC indicator codes from the current 33 codes to 8 (see Enclosure I). This change is in response to concerns county welfare departments have expressed about the large number of OHC codes. In addition, OHC Code "F" is being activated to denote Medicare HMO coverage.

**Reduction of OHC Codes**

Effective immediately, counties may begin using the eight OHC indicator codes identified in Enclosure 1. County procedures should be fully implemented by May 31, 1996. Counties are not required to change the OHC coding on existing cases. The claims processing and eligibility systems will continue to recognize all 33 codes.

**OHC Code "F" - Medicare HMO**

Included in the enclosed list of OHC codes is OHC Code "F", denoting coverage through a Medicare HMO. Medicare recipients may elect to enroll in a Medicare HMO in lieu of the usual fee-for-service Medicare coverage. Once enrolled in a Medicare HMO, the Medicare recipient must obtain Medicare covered services from HMO approved providers.

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To ensure that Medicare HMO coverage is fully utilized before Medi-Cal payment occurs, the MEDS record of Medi-Cal recipients who have enrolled in a Medicare HMO must be coded with OHC Code "F". As with other insurance coverage identified for new eligibles, a DHS 6155 should be completed and sent to the Department's Health Insurance Section. It should be noted that some Medicare HMOs provide coverage for prescriptions and/or vision care, in addition to the customary Medicare covered services of hospital, medical, and long-term care. It is important that all scopes of coverage available through the HMO be indicated on the DHS 6155.

To identify current Medi-Cal recipients who have already enrolled in a Medicare HMO, the Department will use federal Medicare HMO enrollment files to automatically update MEDS and the Health Insurance System (HIS) data base. Medi-Cal recipients will receive a letter (in English and Spanish), advising them of the MEDS update. (A copy of the recipient notification is enclosed as Enclosure 2). This process is targeted to begin in early 1996. Counties will be notified of specific dates via E-Mail.

The enrollment match will be conducted on a monthly basis for ongoing Medi-Cal recipients as they enroll or disenroll in a Medicare HMO. It is **not** necessary for the counties to submit a DHS 6155 for recipients whose Medicare HMO coverage is identified by the Department. However, it is imperative that a DHS 6155 be completed by the county for new Medi-Cal eligibles enrolled in a Medicare HMO. This ensures that MEDS and HIS are updated with the coverage information from the onset of Medi-Cal eligibility.

In accordance with existing OHC procedures, counties may delete OHC Code "F" from a recipient's MEDS record if the recipient presents a disenrollment confirmation document or signs an affidavit to this effect. Supplemental Security Income/State Supplementary Payment recipients should be referred to the Health Insurance Section's toll-free number, 1-800-952-5294.

Medi-Cal Eligibility Procedures Manual, Article 15A, will be revised to reflect these policy changes shortly.

If you have any questions regarding this letter, please contact either Chari Hug at (916) 327-0492 or Vicki Partington at (916) 323-9539 or the Health Insurance Section.

Sincerely,

ORIGINAL SIGNED BY

FRANK S. MARTUCCI, CHIEF  
Medi-Cal Eligibility Branch

Enclosures

MEDS  
OHC INDICATOR CODES  
Effective January 1, 1996

I. HMO

- K ..... Kaiser
- C ..... CHAMPUS Prime HMO
- F ..... Medicare HMO
- P ..... Any Other PHP/HMO

II. Cost Avoidance

- V ..... Any Carrier (other than the above;  
includes multiple coverage)

III. Pay and Chase/Post Payment Recovery

- A ..... Any Carrier (includes multiple coverage)

IV. Dental Only

- L ..... Any Dental Carrier

V. No Coverage

- N ..... No Coverage

## DEPARTMENT OF HEALTH SERVICES

THIRD PARTY LIABILITY BRANCH  
HEALTH INSURANCE SECTION  
BOX 1287  
SACRAMENTO, CA 95812-1287  
(916) 323-9538



## ENCLOSURE 2

Eligibility Month:

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MEDS-ID :  
BIRTHDAY :  
O/C :  
(Name of the health plan is inserted here)

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## IMPORTANT MEDI-CAL NOTICE

Our records show that you have health coverage through a Medicare Health Maintenance Organization (HMO) as well as Medi-Cal. Beginning with the eligibility month shown above, your Medi-Cal records will be coded to show this Medicare HMO coverage. Your providers will receive this information when they verify your Medi-Cal eligibility.

By law, Medi-Cal cannot pay for medical services covered by your Medicare HMO plan. You will still be able to use your Medi-Cal benefits for Medi-Cal covered services which your Medicare HMO plan does not cover. Medi-Cal will not pay for services you receive from a non-plan provider if you could have received those covered services from a plan provider.

To receive services, first go to your Medicare HMO plan (indicated in the O/C field shown above) to receive health care services. If the plan does not provide a needed service, request a denial letter or Explanation of Benefits (EOB) which clearly states that the requested service is not covered under the terms of the health plan. Give this denial letter or EOB to a Medi-Cal provider who will send it with the Medi-Cal claim for reimbursement.

If you do not have the Medicare HMO coverage with the plan that is shown, contact your county welfare department. You will be required to submit verification that you no longer have or never had the coverage indicated before your records can be changed. This verification should be either a document from the Medicare HMO plan showing the date the policy terminated or a signed affidavit which states that you no longer have, or never had, health coverage with the Medicare HMO plan indicated. Your county welfare department has the affidavit forms. If you are receiving SSI/SSP, call 1-800-952-5294. For TTY/TDD, please call California Relay Services at 1-800-735-2929.

## DEPARTMENT OF HEALTH SERVICES

THIRD PARTY LIABILITY BRANCH  
INSURANCE SECTION  
1287  
SACRAMENTO, CA 95812-1287



Mes de Elegibilidad: **ENCLOSURE 2**  
MEDS-ID:  
Fecha de Nacimiento:  
O/C:  
(Name of the health plan is inserted here)

**NOTICIA IMPORTANTE DEL PROGRAMA DE MEDI-CAL**

Nuestros expedientes indican que su seguro médico es proporcionado por una Organización para el Mantenimiento de la Salud de Medicare (Medicare Health Maintenance Organization - HMO) y por Medi-Cal. Empezando el mes de elegibilidad indicado arriba, sus expedientes de Medi-Cal serán codificados para indicar que está cubierto(a) por una Organización para el Mantenimiento de la Salud de Medicare (HMO). Sus proveedores de atención médica recibirán esta información al verificar su elegibilidad para Medi-Cal.

La ley no permite que Medi-Cal pague por servicios médicos que son cubiertos por su plan HMO de Medicare. Podrá seguir usando sus beneficios de Medi-Cal para aquellos servicios que son cubiertos por Medi-Cal y que no son cubiertos por su plan HMO de Medicare: sin embargo, Medi-Cal no pagará para servicios proporcionados por un proveedor de cuidados médicos que no pertenece a su plan, si estos servicios son proporcionados y cubiertos por un proveedor de cuidados médicos que forma parte de su plan.

Para recibir atención médica, acuda a la oficina de su plan HMO de Medicare (indicado en la categoría O/C arriba). Si su plan no proporciona algún servicio que necesita usted, pida una carta de rechazo (denial letter) o una Explicación de Beneficios (Explanation of Benefits - EOB) que indique claramente que, bajo las condiciones del plan de salud, el plan no proporciona el servicio que pida usted. Entregue esta carta de rechazo o Explicación de Beneficios (EOB) a su proveedor de cuidados médicos de Medi-Cal, el cual la mandará junto con el reclamo de Medi-Cal para el reembolso de sus gastos (Medi-Cal claim for reimbursement).

Si su seguro de salud no está proporcionado por la Organización para el Mantenimiento de la Salud de Medicare (Medicare HMO) mediante el plan cuyo nombre aparece en este documento, póngase en contacto con el Departamento de Asistencia Pública de su condado (welfare department). Antes de que se pueda cambiar sus expedientes, tendrá que presentar documentos que comprueban que ya no tiene, o que nunca tuvo, el seguro de salud indicado en esta carta. Este comprobante puede ser un documento del plan HMO de Medicare indicando cuando se terminó su póliza de seguro o una declaración jurada (afidávit) firmada que indica que ya no tiene, o que nunca tuvo, seguro de salud con el plan HMO de Medicare indicado en esta carta.

Puede obtener los formularios para las declaraciones juradas en el Departamento de Asistencia Pública de su condado. Si recibe beneficios de Seguridad de Ingreso Suplemental/Programa Suplementario del Estado (SSI/SSP), llame al 1-800-952-5294. Para TTY/TDD (asistencia para los sordos), por favor llame al programa de California Relay Services al 1-800-735-2929.