STATE OF CALIFORNIA—HEALTH AND WELFARE AGENCY

PETE WILSON, Governor

DEPARTMENT OF MENTAL HEALTH
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September 28, 1995

DMH LETTER NO.: 95-06

TO: LOCAL MENTAL HEALTH DIRECTORS
LOCAL MENTAL HEALTH PROGRAM CHIEFS
LOCAL MENTAL HEALTH ADMINISTRATORS
LOCAL MENTAL HEALTH DATA PROCESSING MANAGERS

SUBJECT: MODIFICATION OF DMH LETTER NO: 95-01 ON SHORT-DOYLE/MEDI-CAL CLAIM EDITS AND PROCESSING

DMH Letter No. 95-01, dated January 31, 1995, identified modifications to the Short-Doyle/Medi-Cal (SD/MC) claiming system relating to Medi-Cal/Medicare crossovers and other insurance coverage. This is to notify you of three revisions to the process that need to be implemented shortly after your receipt of this letter.

The first change relates to a revision of the format of the Error Correction Report (ECR) for crossovers. The original version contained fields to allow corrections to the month/year of service and to the beneficiary or welfare identification number. These fields were included for user convenience, but practical experience has shown that they have not been used to correct errors related to crossovers. To reduce the volume of ECR paperwork, the two fields will no longer appear on the ECR if the sole error is related to a crossover situation.

The second change is the reimposition of the Schedule of Maximum Allowances (SMA) edit for Medicare crossovers. This change results not from a change in reimbursement policy, but from claiming errors unrelated to crossovers (usually misplaced decimals) that have caused difficulties for some counties. This change should not have a significant effect on cash flow because the SMA is established on a gross rate basis while the claiming rates are net of other revenues. The SMA will still be waived for Medicare crossovers during the year end cost report settlement process.

The third and final change is the introduction of a new crossover indicator code, Code "H", to be used when a client has Medicare coverage but the claiming provider has not been certified as a Medicare provider. The Department of Health Services and the Health Care Financing Administration do not consider these cases to be crossovers and do not want them reported in aggregate with the true crossovers under Codes "N" or "X".

Please replace the corresponding pages in DMH Letter No. 95-01 with the pages enclosed. If you have any questions on these changes, please call Ken McKinstry at (916) 654-2466 or Stan Johnson at (916) 654-3060.

LINDA A. POWELL
Deputy Director
Administrative Services

Enclosures

cc: California Mental Health Planning Council
Chief, Technical Assistance and Training
Chiefs, Medi-Cal Oversight