THIS CA UPDATE HAS BEEN SENT TO THE FOLLOWING:

COUNTIES:
☒ Imperial
☒ Riverside/San Bernardino
☒ Los Angeles
☐ Orange
☒ Sacramento
☒ San Diego

LINES OF BUSINESS:
☒ Molina Medi-Cal Managed Care
☐ Molina Medicare Options Plus
☐ Molina Marketplace (Covered CA)

PROVIDER TYPES:
☒ **Medical Group/ IPA/MSO**
 Primary Care
☒ IPA/MSO
☒ Directs
 Specialists
☒ Directs
☒ IPA
☒ **Hospitals**
 Ancillary
☒ CBAS
☒ SNF/LTC
☒ DME
☒ Home Health
☒ Other

Cost Avoidance and Post-Payment Recovery for Other Health Coverage APL 22-027

This is an advisory notification to Molina Healthcare of California (MHC) network providers to provide clarification and guidance for cost avoidance and post-payment recovery requirements when a member has other health coverage (OHC).

This notification is based on an All-Plan Letter (APL) 22-027, which can be found in full on the Department of Health Care Services (DHCS) website at: https://www.dhcs.ca.gov/formsandpubs/Documents/MMCDAPLsandPolicyLetters/APL2022/APL22-027.pdf

BACKGROUND

State law requires Medi-Cal to be the payer of last resort for services in which there is a responsible third party. Medi-Cal Members with OHC must utilize their OHC for covered services prior to utilizing their Medi-Cal benefits. Cost avoidance is the practice of requiring providers to bill liable third parties prior to seeking payment from the Medi-Cal program.

POLICY

1. Using the Medi-Cal Eligibility Record for Processing OHC Claims
   - MHC will rely on the Medi-Cal Eligibility Record for cost avoidance and post-payment recovery purposes.
2. OHC Reporting Requirements and Delivery Options
   - MHC must report new OHC information not found on the Medi-Cal Eligibility Record or OHC information that is different from what is found on the Medi-Cal Eligibility Record to DHCS within ten calendar days of discovery. This requirement ensures timely receipt of all new or updated OHC information so that the Third-Party Liability and Recovery Division (TPLRD) can verify the information and update the Member's Medi-Cal Eligibility Record, if valid.
3. Cost Avoidance
   - If the Member has an active OHC, MHC will ensure Providers compare the OHC code to the requested service. If the requested service is covered by the OHC, MHC will ensure Providers instruct the Member to seek the service from the OHC carrier.
     - Regardless of the presence of OHC, MHC will ensure Providers do not refuse a covered Medi-Cal service to a Medi-Cal Member.
   - Effective February 9, 2018, in accordance with federal law, prenatal care is subject to cost avoidance. In cases where prenatal service billing is bundled with claims for other services, MHC will ensure Provider's cost-avoid the entire claim.
4. Post-Payment Recovery

- MHC will engage in post-payment recovery if OHC is discovered retroactively, or the Member had an OHC indicator code of A on their Medi-Cal Eligibility Record at the time of service.
- For the purpose of post-payment recovery, the reasonable value of the services is the average payment MHC pays for similar services in the particular service area, but in no event less than the Medi-Cal fee-for-service payment rate for the services rendered.
- An active repayment plan is considered active if the Provider or carrier has agreed to repay the liability but has not yet paid the full amount.
- DHCS' TPLRD will conduct post-payment recoveries and/or leverage its recovery contractor to initiate post-payment recovery beginning the 13th month following the date of payment of a service. TPLRD's recovery contractor assists with the identification and recovery of paid Medi-Cal claims for which there is liable third party. Monies recovered by TPLRD or its recovery contractor starting the 13th month after the date of payment of a service will be retained by DHCS.

QUESTIONS

If you have any questions regarding the notification, please contact your Molina Provider Services Representative. Please refer to the phone numbers listed below:

Service County Area	Provider Services Representative	Contact Number	Email Address
California Hospital Systems	Deletha Foster	909-577-4351	Deletha.Foster@molinahealthcare.com
	Shelly Lilly	858-614-1586	Michelle.Lilly@molinahealthcare.com
Los Angeles	Clemente Arias	562-517-1014	Clemente.Arias@molinahealthcare.com
	Christian Diaz	562-549-3550	Christian.Diaz@molinahealthcare.com
Los Angeles / Orange County	Maria Guimoye	562-549-4390	Maria.Guimoye@molinahealthcare.com
Sacramento	Jennifer Rivera Carrasco	562-542-2250	Jennifer.RiveraCarrasco@molinahealthcare.com
San Bernardino	Luana McIver	909-501-3314	Luana.Mciver@molinahealthcare.com
San Bernardino / Riverside County	Vanessa Lomeli	909-577-4355	Vanessa.Lomeli2@molinahealthcare.com
Riverside County	Mimi Howard	562-549-3532	Smimi.Howard@molinahealthcare.com
San Diego / Imperial County	Briana Givens	562-549-4403	Briana.Givens@molinahealthcare.com
	Carlos Liciaga	858-614-1591	Carlos.Liciaga@molinahealthcare.com
	Salvador Perez	562-549-3825	Salvador.Perez@molinahealthcare.com