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News

20-742 Avoid Post-Payment Collection by Ensuring Medi-Cal is the Payer of Last Resort

Date: 12/18/20

This information applies to Participating Physician Groups (PPGs).

For Medi-Cal, this information applies to Kern, Los Angeles, Riverside, Sacramento, San Bernardino, San Diego, San Joaquin, Stanislaus, and Tulare counties.

Requirements for Medi-Cal cost avoidance and post-payment recovery for other health coverage

Medi-Cal managed care plans (MCPs) are required to be the payer of last resort for services when a member has other health care coverage (OHC). On April 20, 2020, the California Department of Healthcare Services (DHCS) issued All Plan Letter (APL) 20-010 to ensure both providers and MCPs, like Health Net and Health Net's delegated providers, are doing their part to correctly identify OHC and avoid unnecessary costs. APL 20-010 provides clarification and guidance regarding requirements for cost avoidance and post-payment recovery when a member has OHC.

To view APL 20-010 in its entirety visit the DHCS website (PDF) (<http://www.dhcs.ca.gov/formsandpubs/Documents/MMCDAPLsandPolicyLetters/APL2020/APL20-010.pdf>).

New guidelines for cost avoidance and post-payment recovery

DHCS new requirements include the following:

- Use the Medi-Cal Eligibility Record for processing OHC claims.
- Beginning January 1, 2021, Health Net and its delegated participating physicians groups (PPGs) must include OHC information in their notification to the provider when a claim is denied due to the presence of OHC. OHC information includes, but is not limited to:
 - The name of the OHC provider
 - The policy number
 - Contact or billing information
- PPG's may continue to direct providers to access the necessary member OHC information using the Automated Eligibility Verification System at 1-800-427-1295, or the Medi-Cal Online Eligibility Portal. Information pertaining to OHC carriers can be found in the Health and Human Services Open Data

Portal at data.chhs.ca.gov/dataset/aevs-carrier-codes-for-other-health-coverage. Additional information on changes to the Medi-Cal Eligibility Reports will be coming from Health Net at a later date.

- Health Net and its delegated PPGs must not process claims for payment for a member whose Medi-Cal eligibility record indicates OHC, other than a code of A or N, unless the provider presents proof that all sources of payment have been exhausted, or the provided service meets requirements for billing Medi-Cal directly.
- Health Net 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 10 calendar days of discovery.
- Health Net is required to submit detailed information regarding their recoveries to DHCS on a monthly report no later than the 15th of each month.
- On a monthly basis, Health Net must report and return all recovered monies that are 13 months or older from the date of payment of a service to DHCS using the monthly report.

Additional information

Providers are encouraged to access Health Net's provider portal (<http://provider.healthnet.com>) online for real-time information, including eligibility verification, claims status, prior authorization status, plan summaries, and more.

If you have questions regarding the information contained in this update, contact the Health Net Provider Services Center by email (mailto:provider_services@healthnet.com) within 60 days, by telephone or through the Health Net provider website as listed in the right-hand column.

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