blue california
Promise Health Plan

Network Provider Update

To: Medi-Cal Network Providers

September 2020

From: Hugo Florez
Vice President, Network Management
Blue Shield of California Promise Health Plan

Subject: **Cost Avoidance and Post-Payment Recovery for Other Health Coverage**

The Department of Health Care Services (DHCS) recently issued All Plan Letter (APL) 20-010, "Cost Avoidance and Post-Payment Recovery for Other Health Coverage." We are sharing a summary of this APL with you to ensure you are aware of the information, and you can apply the information to your practice or facility operations, where appropriate.

Because state law requires Medi-Cal to be the payer of last resort, APL 20-010 requires managed care plans (MCPs) such as Blue Shield of California Promise Health Plan to follow specific guidelines for identifying and reporting if a member has other health coverage (OHC), along with appropriate steps for cost avoidance and post-payment recovery as needed.

To support cost avoidance, the APL also requires that providers do the following:

- Prior to delivering services, providers must review the member's Medi-Cal eligibility record for the presence of OHC. The record may be found on the Medi-Cal Online Eligibility Portal or accessed utilizing the Automated Eligibility Verification System at (800) 427-1295.
- If the member has active OHC, providers must compare the OHC code (listed in Appendix A of the APL) to the requested service. If the service is covered by the OHC, the provider must instruct the member to seek the service from the OHC carrier.
    - Regardless of the presence of OHC, providers should not refuse a covered Medi-Cal service to a Medi-Cal member.
- If prenatal service billing is bundled with claims for other services, providers must cost-avoid the entire claim.

In addition, MCPs must not process claims 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 the requirement for billing Medi-Cal directly.

- Acceptable forms of proof include a denial letter from the OHC, an explanation of benefits from the OHC showing that the service is not covered, or documentation that the provider has billed the OHC and received no response for 90 days.

This summary is only meant as a brief description of the APL. Please see the APL itself for the complete requirements. The full text of APL 20-010 may be found at this URL:
https://www.dhcs.ca.gov/formsandpubs/Documents/MMCDAPLsandPolicyLetters/APL2020/APL20-010.pdf
(Links to the DHCS.ca.gov website will take you off of the Blue Shield Promise website.)

We are currently working toward a plan to address these requirements and will inform you as changes are made to current Blue Shield Promise processes. In addition, these requirements will appear in the January 1, 2021 edition of the Blue Shield Promise provider manual.

If you have questions about applying any of the information in this notice to your interactions with Blue Shield Promise members, please call our Provider Customer Care Department at **(800) 468-9935** from 8 a.m. to 5 p.m., Monday through Friday.

TBSP11206 (9/20)

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