

To: Medi-Cal Network Providers

From: Manuel T.G. Enriquez   
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Subject: **Cost Avoidance and Post-Payment Recovery for Other Health Coverage**

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The Department of Health Care Services (DHCS) recently issued [All Plan Letter \(APL\) 21-002](#), "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 21-002 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](#) (login required) 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 21-002 may be found at this URL:

<https://www.dhcs.ca.gov/formsandpubs/Documents/MMCDAPLsandPolicyLetters/APL2021/APL21-002.pdf>  
(Links to the DHCS.ca.gov website will take you off of the Blue Shield Promise website.)

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 Services Team at **(800) 468-9935** from 6 a.m. to 6:30 p.m., Monday through Friday.