



MEDI-CAL UPDATE

Part 2

Billing and Policy

www.medi-cal.ca.gov

Inpatient Services

July 2007 • Bulletin 394

Contents

Medi-Cal Training Seminars

Providers Must Use New Claim Forms	1
2007 CPT-4/HCPCS Codes Reminder	1
Redirection of TAR Services.....	1
Processing Changes for TARs	2
New Medicare Billing Requirement Impacts Inpatient Crossover Claims	4
CCS Service Code Groupings Update	5

Providers Must Use New Claim Forms

Medi-Cal implemented the use of the *UB-04* claim form on June 25, 2007. Providers who previously submitted claims on the *UB-92 Claim Form* must bill on the new *UB-04* claim form immediately. Providers not using the new *UB-04* should be in the process of transitioning. Failure to use the new form for claims submitted after June 25, 2007 may result in rejection of the provider's claims.

Submission instructions for *Claims Inquiry Forms (CIFs)* and *Appeal Forms* require a copy of the corrected original claim form be attached. Old *UB-92* claim forms will only be accepted for this reason.

2007 CPT-4/HCPCS Codes Reminder

Effective August 1, 2007, Medi-Cal will adopt the 2007 CPT-4 and HCPCS Level II codes. Claims billed for dates of service on or after August 1, 2007 must use the appropriate 2007 codes.

Codes to be added, modified or deleted were listed in the May 2007 *Medi-Cal Update*. Policy for new benefits was announced in the June 2007 *Medi-Cal Update*. Provider manual updates are included in this month's *Medi-Cal Update*.

Redirection of Treatment Authorization Request Services

Effective July 1, 2007, several regionalized *Treatment Authorization Request (TAR)* services provided by the Fresno Medi-Cal Field Office (FMCFO) were redirected to the Northern and Southern Pharmacy Sections (NPS and SPS), Sacramento Medi-Cal Field Office (SMCFO) and San Francisco Medi-Cal Field Office (SFMCFE).

This information is reflected on manual replacement pages [tar field 1 thru 11 \(Part 2\)](#).

Processing Changes for Treatment Authorization Requests

Beginning May 1, 2007, the California Department of Health Services (CDHS) started phasing in several changes that will impact how paper *Treatment Authorization Requests* (TARs) are processed.

These changes are being implemented to minimize the key data entry of incomplete or erroneous TAR information and to reduce the volume of paper documents containing Protected Health Information (PHI), particularly Social Security Numbers (SSNs) that are sent via:

- United States Postal Service
- Courier services
- Other types of delivery services

CDHS expects to complete this phased implementation by September 2007.

Processing Change Schedule

Processing changes to paper TARs impact providers interacting with the Medi-Cal field offices and pharmacy sections on the following dates:

May 2007 Sacramento Medi-Cal Field Office	August 2007 Fresno Medi-Cal Field Office
June 2007 Northern Pharmacy Section (Stockton) Southern Pharmacy Section (L.A.)	San Bernardino Medi-Cal Field Office San Diego Medi-Cal Field Office San Francisco Medi-Cal Field Office
July 2007 L.A. Medi-Cal Field Office In-Home Operations South	September 2007 TAR Administrative Remedy Section In-Home Operations North

Incomplete TARs

CDHS Medi-Cal field offices and pharmacy sections will be unable to enter paper TARs with incomplete information into the TAR system. These paper TARs will be deferred back to the submitting provider, with a Medi-Cal field office/pharmacy section *Incomplete TAR Form* identifying the reasons for deferral and instructions about how to resubmit the paper TAR with the necessary corrections.

Provider are to:

- Make the necessary corrections/changes on the paper TAR, and
- Resubmit with a copy of the *Incomplete TAR Form* on top of the paper TAR.

Paper TARs that are returned to the submitting provider for correction will not be available for inquiry through the Provider Telecommunications Network (PTN).

Any one of the reasons below will not allow the paper TAR information to be entered into the system. The reason(s) will be marked on the *Incomplete TAR Form* and sent back to the submitting provider for corrections. These reasons may consist of one or more of the following:

- The TAR form is illegible or damaged.
- The submitting provider number is missing, inactive, suspended or invalid for the category of service requested.
- The patient’s Medi-Cal ID number is missing, invalid or invalid in length, and the patient’s name/date of birth is missing.
- The patient is not Medi-Cal eligible.
- Information in the *Admit From* field (Box 14) on the *Long Term Care Treatment Authorization Request* (LTC TAR, form 20-1) is missing or invalid.
- The requested service information is missing, invalid or invalid in length.

Please see **Processing Changes**, page 3

Processing Changes (*continued*)

- The ICD-9-CM diagnosis code, admitting ICD-9-CM diagnosis code and/or primary DX diagnosis code is missing or invalid.
- The County Medical Services Program (CMSP) pharmacy services are covered by MEDIMPACT. Providers may call 1-800-788-2949 for further information.
- The requested Adult Day Health Care (ADHC) service should specify the months and the number of requested days for each calendar month on separate lines of the TAR. The TAR request should not exceed six months or have more than one service line for a given calendar month. Providers may refer to the appropriate Part 2 manual for specific TAR preparation instructions.

Adjudication Response

CDHS will discontinue the practice of returning adjudicated paper TAR copies to providers based on the schedule above. Instead, providers will receive an *Adjudication Response* (AR), which will display:

- The status of requested service(s)
- The reason(s) for the decision(s), including TAR decisions resulting from an approved or modified appeal
- The adjudicator's request for additional information, if necessary

The AR will enable the provider to respond to the requested information or proceed to bill for authorized services. (See the *Adjudication Response* example at the end of this article.) Providers should keep a copy of the AR for their records and use it when responding to deferrals or when requesting an update/correction to a previously approved or modified TAR.

When requesting an update/correction, a copy of the AR must be placed on top of newly submitted documents to ensure the information can be matched with previously submitted documentation. Providers should clearly specify what change(s) are being requested.

The ARs will be mailed to the provider's address on file with CDHS' Payment Systems Division, Provider Enrollment Branch (PEB). Providers should ensure PEB has their most up-to-date mailing address on file. Instructions about changing/updating a provider address may be found on the Medi-Cal Web site (www.medi-cal.ca.gov). From the home page, click the "Provider Enrollment" link and then the "Provider Reminders" link at the top of the page.

Attachments

On November 15, 2006, CDHS notified providers via a flyer that attachments were no longer being returned with deferred paper TARs. Medi-Cal field offices and pharmacy sections will continue to retain and archive all attachments for reference.

Providers responding to a deferred TAR should return the AR and any new attachment(s) requested.

SSN on TARs

In accordance with *Medi-Cal Updates* issued in August and September 2006, providers should use the recipient's Benefits Identification Card (BIC) number on the TAR, rather than the SSN. If a TAR is returned to a provider because of inaccurate and/or incomplete information, the SSN will be removed.

Provider questions may be directed to the local Medi-Cal field office or pharmacy section.

National Provider Identifier (NPI) Number

Providers should be aware that the NPI number will not be accepted on TARs until after the official NPI implementation date of November 26, 2007. For detailed information about the new NPI implementation date, providers can view the "Important NPI Time Frame Changes" article posted in the "HIPAA News" area of the Medi-Cal Web site (www.medi-cal.ca.gov).

TARs issued under the old provider number (legacy number) prior to November 26, 2007 can still be used for claims submitted with an NPI starting on or after November 26, 2007. Providers will not have to request an updated TAR with the NPI information.

Please see Processing Changes, page 4

Processing Changes (continued)

State of California - Health and Human Services Agency Department of Health Services	<h1 style="margin: 0;">CONFIDENTIAL</h1> <p style="margin: 0;">Medi-Cal Operations Division</p> <h2 style="margin: 0;">ADJUDICATION RESPONSE</h2>	ARNOLD SCHWARZENEGGER, Governor 							
Provider Number: HSCXXXXXX XXX CONTRACT HOSP #2 3215 PROSPECT PARK DR RNCHO CORDOVA, CA 95670-6017	DCN (Internal Use Only): 123456789101 Date of Action: 06/27/2006 Regarding: Jane Doe TAR Control Number: 9876543210								
This is to inform you that a Treatment Authorization Request has been adjudicated. If you have any questions regarding this adjudication response, please contact your local Medi-Cal Field Office. The decision(s) follow:									
Svc #	Service Code	Modifier(s)	Service Description	From Date of Service	Thru Date of Service	Units	Quantity	Status	P.I.
1	123ABC	1	Service Description 1	01-01-2006	01-31-2006	12345	1000000.123	1 Approve	1
2	ABC123	2	Service Description 2	01-01-2006	01-31-2006	12345	1000000.123	2 Modify	0
Reason(s):		GEN: Modified, refer to comments							
Comment(s):		Comments from Field Office Consultant 2							
3	ABC123	3	Service Description 3	01-01-2006	01-31-2006	12345	1000000.123	3 Deny	3
Reason(s):		GEN: Denied, refer to comments							
Comment(s):		Comments from Field Office Consultant 3							
4	ABC123	4	Service Description 4	01-01-2006	01-31-2006	12345	1000000.123	4 Defer	5
Reason(s):		GEN: Deferred, refer to comments							
Comment(s):		Comments from Field Office Consultant 4							
Authorization does not guarantee payment. Payment is subject to Patient's eligibility. Please ensure that the Patient's eligibility is current before rendering service.									
If you have received this document in error, please call the Telephone Service Center, 1-800-541-5555 in California, 1-916-636-1200 out-of-state (follow the prompts for eTAR), to notify the sender. Please destroy this document via shredder or confidential destruction.									

New Medicare Billing Requirement Impacts Inpatient Crossover Claims

Part A Medicare Intermediaries have been instructed by the Centers for Medicare & Medicaid Services (CMS) to implement a new National Uniform Billing Committee (NUBC) requirement regarding the use of value codes on institutional claims. Beginning with July 1, 2007 discharge dates for inpatient claims, deductible amounts reported with value codes A1, B1, C1 or C7 in the 2300 Loop HI Segment of the 837 Institutional electronic claim will be rejected by Medicare.

Providers billing Medicare electronically must instead enter the inpatient deductible amount in the 2320 Loop Claims Adjustment Segment (CAS) with adjustment Group Code PR and Reason Code 1. Providers are urged to make any necessary billing software changes to comply with this requirement to prevent rejected claims by Medicare and ensure that claims continue to cross over to Medi-Cal automatically.

In addition, the NUBC has restricted the use of value codes A1, A2, A7, B1, B2, B7, C1, C2 and C7 for Medicare deductibles and coinsurance on all institutional claims to paper claims billed on the UB-04 claim form. Any use of these value codes will result in the claim being rejected by Medicare. These amounts should be reported on electronic claims in the CAS segment at either the claim level for inpatient and Skilled Nursing Facility (SNF) claims, or at the line level (2430 Loop CAS segment) for outpatient claims.

Please see Medicare Billing Requirement, page 5

Medicare Billing Requirement *(continued)*

This requirement affects institutional claims billed to Medicare for recipients eligible for both Medicare and Medi-Cal. All other value codes, including 08, 09, 10 and 11 for coinsurance and lifetime reserve days for inpatient and SNF electronic claims are **not** affected and may continue to be submitted on institutional claims in the HI segment.

EDS is in the process of making system changes for crossover claims to accommodate Medicare’s implementation of the NUBC requirements by July 1, 2007.

For more information, contact your Medicare Intermediary or refer to CMS Change Request 5411 on the CMS Web site at www.cms.hhs.gov/transmittals/downloads/R261OTN.pdf.

CCS Service Code Groupings (SCGs) Update

Effective for dates of service on or after August 1, 2007, a number of codes are end-dated and added to California Children’s Services (CCS) Service Code Groupings (SCGs) 01, 02, 03, 04, 05, 06, 07, 10 and 12.

Reminder: SCG 02 includes all the codes in SCG 01; SCG 03 includes all the codes in SCG 01 and SCG 02; and SCG 07 includes all the codes in SCG 01. These same “rules” apply to end-dated codes.

The updated information is reflected on manual replacement pages cal child ser 1, 3 thru 16, 18 thru 20 and 22 thru 25 (Part 2).

Inpatient Services Bulletin 394

Remove: cal child ser 1 thru 27
Insert: cal child ser 1 thru 26

Remove and replace: cif co 7 thru 11 *

Remove: cif sp ip 1 thru 12
Insert: cif sp ip 1 thru 10 *

Remove and replace: hyst 1 thru 4 *
tar and non cd1 3 thru 5 *
tar and non cd2 3 thru 6 *
tar and non cd3 3/4 *
tar and non cd4 3 thru 7 *
tar and non cd5 1 thru 6 *
tar and non cd6 1 thru 6 *
tar and non cd7 1 thru 3 *
tar and non cd9 1 thru 7 *
tar dis cod 1/2 *, 5/6 *
tar field 1 thru 11
tar submis 3 *

* Pages updated due to ongoing provider manual revisions.