

**County of San Diego, Health and Human Services Agency (HHSA)
Medi-Cal Program Guide**

County Responsibilities for Third Party Liability

Number

15.03.01

Page

1 of 3

Revision Date:

June 23, 2017

Background:

Medi-Cal is designed by law as the payer of last resort for health care services/benefits. Any third party that is liable for services provided to a Medi-Cal beneficiary must reimburse Medi-Cal for any such serviced paid for by Medi-Cal. This section is revised to update instructions for on how to electronically notify the State of Third Party Liability claims.

Purpose:

To provide the policies and procedures for collection and processing of third party liability information.

Policy:

Medi-Cal beneficiaries must reimburse the Medi-Cal program for costs of health care services when the beneficiary receives payment for care from a third party such as an insurance company or from a lawsuit.

Procedure:

A. Criteria for Notification to the State:

Notify the Department of Health Care Services (DHCS) when:

- Information on the Statement of Facts or from other sources indicate potential third party liability
- The beneficiary is eligible to and receives Medi-Cal
- The beneficiary intends to use Medi-Cal to pay for injury-related services
- The beneficiary, or his/her representative, has initiated an insurance claim, workers' compensation claim, or wrongful death, malpractice, or similar civil suit against a potentially liable third party.

B. Notification to the State:

Transmit third party liability information to the State through the DHCS website at: http://www.dhcs.ca.gov/services/Pages/TPLRD_PI_OnlineForms.aspx.

Select the appropriate option on this page:

- PI – Step 1: Personal Injury Notification (New Case)
- WC – Step 1: Workers' Compensation Notification (New Case)

Provide the following information. Fill out the page completely; however, if any information is unknown, leave the field blank.

- Beneficiary's first and last name
- Beneficiary's date of birth
- Beneficiary's Medi-Cal number
- Date of injury
- Type of accident
- Final date of treatment related to the injury with a Medi-Cal provider
- Beneficiary's attorney information, if applicable
- Third Party Insurance (Causer's) information
- Date of settlement.

**County of San Diego, Health and Human Services Agency (HHSA)
Medi-Cal Program Guide**

County Responsibilities for Third Party Liability

Number

15.03.01

Page

2 of 3

After receiving the notification, DHCS will review the form and verify eligibility. Once eligibility is verified, the beneficiary (or his/her representative) and the insurer(s) will be notified that a case has been established. No other action is required by the County.

C. Sources of Information:

Information from any of the following sources will require evaluation of third party liability status.

| Source | Action/Questions |
|-------------------------|--|
| Statement of Facts | <ul style="list-style-type: none"> • Is the illness/injury the responsibility of a third party? • Benefits from State Disability Insurance (SDI) or workers' compensation require follow-up for third party liability • Has the applicant received money from insurance or court settlements? |
| Beneficiary Information | <p>Advise beneficiaries of their responsibility to notify the County if they are involved in an accident where a third party may be liable.</p> <p>Explain that costs for medical care are paid by the Medi-Cal program. When a settlement is reached through court action or from any insurance source, Medi-Cal is to be reimbursed from the settlement.</p> |

D. Direct Reimbursement to Beneficiary:

When a beneficiary reports that he/she has received a check made out to him/her by a liable third party for services paid for by Medi-Cal, inform him/her to take the actions below.

| Step | Action |
|-------------|--|
| 1 | Do not cash check. |
| 2 | Endorse the check as, "Pay only to the order of Health Care Deposit Fund." |
| 3 | <p>Include the following information on the back of the check:</p> <ul style="list-style-type: none"> • Dates, places, and items of service for which the check has been issued • Beneficiary's full name • The case number • Address of beneficiary |
| 4 | <p>Mail the check to:</p> <p>Department of Health Care Services Recovery Unit – MS 4720 P.O. Box 997421 Sacramento, CA 95899-7421</p> |

Program Impacts:

CalWORKs

CalWORKs staff must also follow this process to report Third Party Liability information to DHCS.

References:

Title 22, Section 50771

Medi-Cal Eligibility Procedures Manual (MEPM) 15B

County of San Diego, Health and Human Services Agency (HHSA)
Medi-Cal Program Guide

County Responsibilities for Third Party Liability

Number

15.03.01

Page

3 of 3

All-County Letter (ACL) 12-25

Medi-Cal Eligibility Division Information Letter (MEDIL) I 17-06

Sunset Date:

This policy will be reviewed for continuance by 06/30/2020.

Approval for Release:



Rick Wanne, Director
Eligibility Operations

**County of San Diego, Health and Human Services Agency (HHSA)
Medi-Cal Program Guide**

State Responsibilities for Third Party Liability

Number

15.03.02

Page

1 of 1

Revision Date:

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Background:

Medi-Cal is designed by law as the payer of last resort for health care services/benefits. Any third party that is liable for services provided to a Medi-Cal beneficiary must reimburse Medi-Cal for any such serviced paid for by Medi-Cal. This section is revised to show the actions for which the State is responsible.

Purpose:

To provide the policies that the State follows for processing third party liability information.

Policy:

A. Personal Injury:

The DHCS Recovery Unit is responsible for personal injury investigation and recovery actions.

B. Workers' Compensation:

Health Management Systems is responsible for Workers' Compensation investigation and recovery actions.

Note: County involvement ends once information has been transmitted to the State.

Procedure:

C. DHCS Reports to County:

When Health Management Systems receives payment on an account, written notification (Form CWC 4000) is sent to the County where the beneficiary lives. This alerts the County that a settlement was reached which may affect the eligibility of the individual.

The State has no assurance that monies have been received by the named individual. Use this information to review, contact the beneficiary for clarification, and, if necessary, re-compute eligibility.

Program Impact/s:

None.

References:

Medi-Cal Eligibility Procedures Manual (MEPM) 15B

Sunset Date:

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