



Health Care Practice Tip - July 2019

Medi-Cal and Court-Ordered Other Health Coverage (OHC)

Good news! Medi-Cal beneficiaries can now access their Medi-Cal coverage free from any interference by court-ordered other health coverage (OHC).

Beneficiaries often experience difficulty accessing Medi-Cal services because they cannot use the OHC or it does not cover what Medi-Cal does. This problem is especially common when a court orders a non-custodial parent to provide health insurance to a child. Many consumers and advocates have been frustrated by the manual OHC removal process, which often requires multiple attempts. As a result, many children go without health care.

Starting June 1, 2019, DHCS changed its policy so that court-ordered coverage (sometimes under a "medical support order") reported by the California Department of Child Support Services will not appear on the beneficiary's eligibility file. This means that when a Medi-Cal beneficiary accesses services, the Medi-Cal provider will not see any court-ordered OHC. The provider can bill directly to Medi-Cal.

Under this new policy, providers will have no reason to redirect Medi-Cal beneficiaries to OHC providers. Instead, Medi-Cal beneficiaries with court-ordered OHC should face no obstacles in accessing Medi-Cal services.



How does OHC work with Medi-Cal?

To comply with federal requirements, state law requires beneficiaries to exhaust OHC before Medi-Cal will pay in certain circumstances.^[1] A beneficiary must first access OHC only when the OHC is "available" with "no cost involved."^[2] There are several situations when OHC is not available, so a beneficiary may immediately access Medi-Cal coverage:

- OHC denies or does not cover the Medi-Cal service that a beneficiary needs (including frequency or quantity limitations).^[3]
- A beneficiary lives outside of the OHC plan's limited service area, or lives more than 60 miles or 60 minutes from the OHC plan's providers.^[4]

- A beneficiary seeks preventive pediatric care (including all EPSDT services).[5]
- A beneficiary seeks minor consent services.[6]
- A custodial parent/guardian is unable to access OHC information due to “good cause,” which is defined as a threat of serious physical or emotional harm to the child or the custodial parent/guardian.[7]
- Court-ordered OHC fails to pay the provider within 30 days after services are provided.[8]

DHCS already removes the OHC from a beneficiary’s Medi-Cal eligibility file in cases of: (1) a geographic barrier to care, (2) domestic violence, (3) erroneously reported OHC, or (4) a changed medical support order after a county works with a local child support agency. **[9] And starting June 1, 2019, DHCS also removes all court-ordered OHC.**

In the past, families may have sought to change court orders so that a beneficiary could access Medi-Cal services. Because of DHCS’s changes, this should no longer be necessary in many situations. If a family still wants to change a medical support order, they can contact county-specific family law facilitators at <https://www.courts.ca.gov/selfhelp-facilitators.htm>.

Why did DHCS make this change?

Court-ordered OHC often prevents children from accessing Medi-Cal services. Consumer advocates raised several examples to the attention of DHCS administrators who in turn decided to remove all court-ordered OHC from the eligibility files—both retroactively and on an ongoing monthly basis.

As always, where OHC covers a Medi-Cal service, the state must pursue “cost avoidance” or “pay and chase” provisions to ensure that Medi-Cal pays only when required.[10] Cost avoidance occurs when the provider bills and collects payment from the OHC instead of Medi-Cal.[11] Pay and chase happens when Medi-Cal covers a service, and DHCS later attempts to recover from the OHC.[12] Where necessary, DHCS will pay and chase court-ordered OHC, but beneficiaries should not notice any interruptions in care.

How can you help beneficiaries access Medi-Cal coverage when they have court-ordered OHC?

Under these changes, DHCS will automatically remove court-ordered OHC from beneficiary eligibility files if it appears in the monthly reports from the California Department of Child Support Services (DCSS). If court-ordered OHC erroneously remains in the eligibility file, you may request OHC removal by calling DHCS at (800) 541-5555 or submitting the online removal form at https://www.dhcs.ca.gov/services/Pages/TPLRD_OCU_cont.aspx. [13] Remember to tell DHCS that the OHC should be removed because it is court-ordered.

Case Example 1

A 16-year-old Medi-Cal beneficiary also has health insurance from her noncustodial parent pursuant to a court order. When the child tried to access care at a Medi-Cal provider in May 2019, she was turned away because the provider’s staff saw private insurance (OHC) in her Medi-Cal eligibility file. You checked the child’s eligibility in July, and no OHC is showing on the Medi-Cal record for both May and June. Because DHCS implemented its change on June 1, 2019, and the child’s court-ordered OHC showed in DCSS’s monthly file, it was automatically suppressed in the eligibility file (even for retroactive months). You can advise the family to access care at Medi-Cal providers without interruption.

Case Example 2

A parent of a 14-year-old Medi-Cal beneficiary contacted you because yesterday a court ordered the child’s noncustodial parent to provide health insurance. The custodial parent is worried that this will interrupt the child’s access to specialty care under Medi-Cal. You check the Medi-Cal eligibility file, and no OHC appears. You can advise the parent that if the court-ordered OHC appears on the DCSS monthly file, it should not interrupt the child’s access to Medi-Cal. If the OHC appears in error, then you, the beneficiary, or their representative can request a correction by contacting DHCS at (800) 541-5555 or submitting a removal form at https://www.dhcs.ca.gov/services/Pages/TPLRD_OCU_cont.aspx.

[1] See Welf. & Inst. Code § 14124.90 (“Providers shall seek reimbursement from available third-party health coverage before billing the Medi-Cal program.”); see also 22 CCR §§ 50761, 50763(a).

[2] 42 USC § 1396a(a)(25)(A); 22 CCR §§ 50763(a)(1), 50763(a)(3).

[3] See 22 CCR §§ 50761, 50769(b). Denial notices or explanations of benefits from the OHC are valid for Medi-Cal coverage purposes for one year from the date the service was denied. See 22 CCR § 50769(b).

[4] **Medi-Cal Eligibility Procedures Manual Section 15A-4(h)(1)**.

[5] 42 USC 1396a(a)(25)(E). As of February 2018, prenatal care is no longer included. See [CMCS Informational Bulletin](#) (June 1, 2018); DHCS Medi-Cal Update (July 2019) [Bulletin 538](#). For more information on EPSDT, see <https://healthconsumer.org/wp/wp-content/uploads/2017/11/HCA-EPSDT-Fact-Sheet-1.pdf>.

[6] [Medi-Cal Eligibility Procedures Manual Section 15A-4\(h\)\(3\)](#). For more information on minor consent, see <http://www.mchaccess.org/pdfs/training-materials/Minor%20Consent%207-18%20Final.pdf>.

[7] 22 CCR § 50771.5; [Medi-Cal Eligibility Procedures Manual Section 15A-4\(h\)\(2\)](#).

[8] 42 USC 1396a(a)(25)(F). Advocates should enforce this 30-day rule, even though California allows providers to bill Medi-Cal if the OHC plan does not adjudicate a claim within 90 days. 22 CCR § 50769(b); [Provider Manual, Other Health Coverage \(OHC\) \(oth hlth\)](#) at page 3. Effective October 1, 2019, Medi-Cal may pay claims related to medical support enforcement, preventive pediatric services, labor and delivery, and postpartum care after a provider waits more than 90 days (instead of 30 days) for OHC payment. See Section 53102(b)(2) of the Bipartisan Budget Act of 2018.

[9] See [ACWDL 13-12](#) (May 14, 2013).

[10] 42 USC § 1396a(a)(25); 42 CFR § 433.139.

[11] 42 CFR § 433.139(b)(1); [State Medicaid Manual](#), Chapter 3 at p. 3902.

[12] 42 CFR §§ 433.139(b)(2); [State Medicaid Manual](#), Chapter 3 at p. 3902.

[13] For instructions on how to fill out the form, DHCS has an [Other Health Coverage Reference Guide](#).

Additional Resources

DHCS has links to the relevant provider manual sections and other OHC resources at <https://www.dhcs.ca.gov/services/Pages/OHCResources.aspx>.

Since this is a new change, we want to keep an eye out for any successes or barriers. So please contact David Kane (dkane@wclp.org) with any questions or concerns, or to share your experience with Medi-Cal and OHC.

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