

November 13, 2015

**Re: Federal and State Prohibitions Against Providers Balance Billing  
L.A. Care Medicare or Medi-Cal Members**



Dear L.A. Care Health Plan Participating Provider Group:

Providers participating in the Medicare and/or Medi-Cal programs (including the Cal MediConnect program) are prohibited from balance billing any L.A. Care member for Medicare and/or Medi-Cal covered services. Balance billing violates Federal and California State law.<sup>1,2</sup> Balance billing is also prohibited in your provider contract with L.A. Care Health Plan or a delegated entity under L.A. Care.

### **What is Balance Billing?**

Balance billing is the practice of billing a L.A. Care member for the difference between what is reimbursed for a covered service and what the provider feels should have been paid. It occurs when a provider (including physician, ancillary, hospital or other provider) charges an L.A. Care member. Improper charges can include copayments, co-insurance, deductibles and/or administrative fees, such as application completion.

### **What are the Penalties for Balance Billing?**

Providers who balance bill L.A. Care members are subject to penalties under both Federal and State law, as well as L.A. Care contract terms. In accordance with Federal and State regulations, providers who engage in balance billing of L.A. Care members may be subject to sanctions by the Centers for Medicare and Medicaid Services (CMS), the California Department of Health Care Services (DHCS), L.A. Care and/or other regulatory agencies. Sanctions can include monetary penalties, as well as exclusion from participation in the Medicare and/or Medi-Cal programs.

### **Remember...**

If you believe you have billed a patient in error, stop immediately. Call off any collection efforts that may have begun. If a member has been balanced billed, notify debt collection agencies and correct any erroneous information sent to credit reporting agencies.

If you have questions about a L.A. Care members' eligibility, call us at **1-866-522-2736**. You can also check eligibility via Automated Eligibility Verification System (AEVS) interactive voice response system at 1-800-456-AEVS (2387) or the Medi-Cal website at <https://www.medi-cal.ca.gov/eligibility/login.asp> User ID (Provider ID or NPI) and password (Provider PIN) required.

Sincerely,

Gertrude S. Carter, M.D.  
Chief Medical Officer

For more information about Balance Billing, see the L.A. Care Provider Manual at <https://www.lacare.org/providers/provider-resources/provider-manuals>. For information on processing crossover claims, call the L.A. Care Provider Service Line at 1-866-522-2736 or see <http://www.calduals.org/providers/physician-toolkit/>.

<sup>1</sup> Federal law provides that all Medicare providers who serve qualified Medicare beneficiaries (QMBs) cannot bill them for Medicare cost-sharing. 42 U.S.C. §1902(n)(3)(B). The state law covers all Medi-Cal beneficiaries, whether or not they are QMBs. Cal.Welf.&Inst.Code § 14019.4.

<sup>2</sup> Cal.Welf.&Inst.Code §14019.4. See also DHCS All Plan Letter 13-003 on Coordination of Benefits: Medicare and Medi-Cal guidance (February 8, 2013), available at <http://www.dhcs.ca.gov/formsandpubs/Documents/MMCDAPLsandPolicyLetters/APL2013/APL13-003.pdf>.

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