RURAL HEALTH DIVISION

The Division is responsible for the overall coordination of the contract counties health services, farmworkers' health services, Indian health services, rural health development programs, and the California health services corps.

The Division consists of the following:

- Rural Health Services Branch
- Policy and Program Development Section
- Support Services Branch
- Farmworkers Health Services Section
- Indian Health Branch

A. The Rural Health Services Branch is divided into the Public Health Services Section and the Health Services Development Section.

The Rural Health Services Branch, through the regional offices, negotiates and monitors contracts with counties, Indian health projects, and rural health projects; provides basic public health services to contracting counties; assists in recruiting, hiring, and evaluating health personnel; provides needed consultation and technical assistance; and relates to pertinent federal and state programs and to health systems agencies, health officers, providers, and consumers.

Each regional office has a small administrative and nursing consultant staff which directs public health nurses, sanitarians, members of the California Health Services Corps, and other direct care providers assigned to the counties and the projects.

1. The Public Health Services Section protects, maintains, and improves the personal and environmental health status of persons living in the rural counties contracting with the Department for services provided through public health nurses, registered sanitarians, and child health and disability personnel. The Branch's overall program strategy assures equitable access to preventive public and environmental health services in rural counties by providing for coordinated delivery of public health services.

The Sacramento Regional Office provides program implementation in an area of Central California encompassing 20 counties.

The Redding Regional Office provides program implementation in a nine county area of Northern California.

2. The Health Services Development Section, through the three regional offices of the Northern Region, Central Region, and Santa Rosa Region, negotiates and monitors contracts with counties, Indian health projects, and rural health projects, and provides basic public health services to contracting counties.

B. The Policy and Program Development Section will provide Medi-Cal, nursing, and public health consultation and will consist of individuals with expertise in addressing the problems of particularly underserved populations. Consultation will be provided directly to the regional offices on a routine basis and will be available on request to deal with priority situations.

C. The Support Services Branch processes contracts and invoices, conducts personnel transactions, prepares budgets, maintains a central recruiting file for the placement of health professionals, and conducts ongoing research and data collection.

D. The Farmworkers Health Services Section maintains a health program consisting of studies of health services for seasonal, agricultural, and migratory workers and their families throughout the State. In addition, technical and financial assistance is provided to local agencies concerned with the health of the workers and their families.

E. The Indian Health Branch provides contractual funds to existing rural and urban Indian health programs making available ambulatory health care services to Native American Indians in California, many of whom experience difficulties in access to health care. The Branch also conducts studies of health and health services to Indians; provides technical assistance to local agencies; and coordinates with similar programs of the Federal Government, other states, and voluntary agencies.

FISCAL INTERMEDIARY MANAGEMENT DIVISION

The Fiscal Intermediary Management Division (FIMD) ensures that fee-for-service medical claims are processed in a timely manner and in accordance with Medi-Cal policy.

The Division is comprised of the following:

- Headquarter's Management Branch

A. The Headquarters Management Branch is generally responsible for all Division activities related to analysis and development of new and revised Medicaid Management Information System policy and procedures, support and control of FI fiscal and contract matters, and for liaison activities with the Medi-Cal provider community.

1. The Provider Services Section is responsible for all related activities involving written or verbal contact between the Medi-Cal provider community and the State, concerning payments.

   The Section Support Unit is responsible for the control of second-level appeals, the processing of second-level appeals (shared function), the processing of state-responsible claims, and various Provider Services Section administrative support functions.

   The Provider Support Services Unit is responsible for all provider payment complaints (shared function), including second-level appeals processing, Board of Control claims analysis, court action research involving Medicaid Management Information System (MMIS) claims suits, and interim payment policy setting.

   The Provider Information Services Unit is responsible for state/provider liaison activities and for monitoring FI/provider contacts.

   The Provider Master File (PMF) Operations Unit is responsible for providing analytical support to the Provider Enrollment Services Section, including development of provider enrollment policy and answering general PMF policy inquiries from providers.

   The Provider Enrollment Services Unit is responsible for the maintenance of the MMIS and Denti-Cal Provider Master Files through the

- Medical Policy Branch

   enrolling and disenrolling of and the changing of file data on providers.

2. The Change Management Section is responsible for analyzing, planning, and developing timely and cost effective changes to both the automated and manual California Medicaid Management Information System (CA-MMIS) in response to Department-approved requirements. This Section performs all liaison and tracking functions necessary to carry out these responsibilities.

3. The Contract Administration Section is responsible for divisionwide activities, including the control and coordination of audit reviews, federal Systems Performance Reviews (SPR), tracking systems, and MMIS documentation-related activities.

   The Management Services Unit is responsible for the control and coordination of Division tracking systems, FI contract-related fiscal activities, and monitoring the FI for contract compliance in the area of corporate personnel and fiscal matters.

   The Contract Services Unit is responsible for the control and coordination of FI contract deliverables (including MMIS documentation), System Performance Reviews, the FI contract transition, and change order negotiations and fiscal analysis.

   The Compliance Services Unit is responsible for legislative bill and regulation reviews, and also the research, analysis and resolution of FI contract compliance activities.

B. The On-Site Management Branch is responsible for the implementation of new and revised MMIS policy, MMIS deficiencies correction and documentation review.

- On-Site Management Branch

1. The Performance Analysis Section and Program Analysis Unit are responsible for monitoring the operational MMIS policy relating to accurate payments of claims and edit/audit reviews.

   The System Performance Analysis Unit is responsible for the monitoring of operational MMIS policy, edit/audits (shared function), claims cycle times, reports accuracy and timeliness, and the Provider, SUR and MAR Subsystems. This Unit is also responsible for program error reviews, utilization of compass-developed software, live claims testing, and review of the FI's quality control program.

   The Fiscal Analysis and Control Unit is responsible for the control and coordination of MMIS reviews and responding to claims payment-related audit findings, as well as for the accurate payment of claims (shared function), claim adjustment processing, problem identifier statement processing, and State Controller's Office error reviews.

2. The Change Implementation Section is responsible for ensuring proper implementation of MMIS changes, Systems Development Group management, and providing data processing support to the rest of the Division.

   The Data Processing Support Unit is responsible for divisionwide data processing support, and detailed technical data processing analysis of implemented MMIS policy.

C. The Medical Policy Monitoring Branch is responsible for ensuring that medical and administrative policies developed by the Department are correctly implemented and applied by Computer Services Corp through its system edits/audits and claim examiner actions in the adjudication of claims.

MEDI-CAL OPERATIONS DIVISION

The Medi-Cal Operations Division covers three functional areas related to cost containment operations of the Medi-Cal program:

- Recovery Branch
- Field Services Branch
- Hospital Contracts Coordination Section

A. The Recovery Branch administers a program to collect money due the Medi-Cal program from Medicare and insurance companies, and to recoup debts due from health and casualty insurance companies, providers, and beneficiaries. Staff in the Recovery Branch make aggressive efforts in four major areas. The Health Insurance Unit seeks out and collects monies from private insurance carriers, self-insured entities, trust funds, and other related payors. The Casualty Insurance Unit seeks to collect monies due the Medi-Cal program from worker compensation carriers and related payors. The Compliance Unit collects monies due from program beneficiaries and providers of health care services or from their representatives. The Buy-In Unit attempts to maximize federal payments for services by identifying and paying premiums for persons eligible for Medicare, Part B insurance. Some of the responsibilities of these units are to detect and utilize health insurance assets, to develop a system of accounts receivable, to pursue debts from beneficiaries, to develop probate collection, to encourage, and then, assist the Federal Government in third-party asset detection and collection, and to define and recover provider overpayment. During the last fiscal year, this Branch was able to recover $31.1 million.

B. The Field Services Branch consists of 12 Medi-Cal field offices located throughout the State and a headquarters office. It is a highly cost-effective branch, granting authorization for payment of certain medically necessary services to Medi-Cal providers who, in turn, treat program beneficiaries. The field offices annually process 1.4 million requests for services to Medi-Cal beneficiaries. Related functions performed by this Branch include administering the State's Short-Doyle/Medi-Cal program which provides mental health services to county residents being treated in county-operated mental health facilities, performing on-site review of long-term care facilities to ensure their compliance with Medi-Cal regulations, and assuming the utilization control activities of professional standards review organizations in California.

C. The Hospital Contracts Coordination Section is responsible for coordination of the Department's management and monitoring of inpatient hospital contracts under the selective provider contracting program. This responsibility includes review of all proposed contracts and amendments serving as the contractors' focal point in the Department for problem resolution, investigation of incidents reported as a result of contracting, coordinating the Department's monitoring activities by other departmental units in a decentralized mode, reviewing contractors' beneficiary grievance procedures and patient questionnaires and providing staff support to the Department's liaison function with the California Medical Assistance Commission.

MEDI-CAL POLICY DIVISION

The Medi-Cal Policy Division serves as the central point for policy recommendations within the Department of Health Services, particularly policy formulation for the Medi-Cal program, and policy development and coordination.

The Division has three major branches as well as the Medi-Cal Planning and Medi-Cal Relations Units:

- Benefits Branch
- Medi-Cal Eligibility Branch
- Rate Development Branch
- Medi-Cal Planning Unit
- Medi-Cal Relations Unit

A. The Benefits Branch is responsible for policy development and recommendations regarding the scope, quality, and methods of providing Medi-Cal program benefits. As a major policy setting unit of the Medi-Cal program, the two sections comprising the Benefits Branch also develop and disseminate new program regulations governing providers, the claims processing contractor, and Medi-Cal field office consultants who must approve services which require prior authorization.

B. The Medi-Cal Eligibility Branch is responsible for assuring Medi-Cal eligibility criteria and determination rules are clear, complete, and in conformance with federal and state statutes and regulations; issuing eligibility rules, forms, and instructions to county welfare departments; assuring that eligibles receive their monthly Medi-Cal identification cards in a timely manner; ensuring accuracy in eligibility determinations; arranging for county and Social Security Administration reporting of eligibility data needed for provider claims payments, federal cost sharing, etc.; assuring that beneficiaries who have a share-of-cost meet their share-of-cost prior to receiving an identification card for that month; assuring that providers do not bill share-of-cost beneficiaries and the Medi-Cal program for the same services; and assuring the Medi-Cal eligibles have an opportunity to choose an organized health system form of health delivery when eligibility is determined.

C. The Rate Development Branch establishes the provider payment schedule for covered services; conducts rate studies, recommends rate adjustments consistent with rate studies, Medi-Cal program priorities, and General Fund budgetary resources; develops and implements systems to constrain the rate of increase of Medi-Cal hospital inpatient costs and reimbursement; evaluates proposed contracts negotiated with hospitals by the California Medical Assistance Commission and provides technical assistance in implementing such contracts; develops capitation rates for prepaid health and organized health systems and at-risk pilot and special projects; conveys payment policy to the fiscal intermediary and provides technical assistance to assure proper implementation of rate policy; develops evidentiary bases to support payment policy presented at regulatory public hearings; and provides expert testimony and technical support regarding litigation involving rates and rate policy.

D. The Medi-Cal Planning Unit is the Medi-Cal program's resource for planning and evaluating program changes and exploring newly emerging health issues that may impact the Medi-Cal program.

The Unit identifies and analyzes emerging systemwide health care delivery issues; defines and explores options for reforming or restructuring the Medi-Cal program; evaluates the impact of existing policy and changes to the Medi-Cal program; and prepares speeches, fact sheets, and briefings for the executive staff of the Department and the Health and Welfare Agency.

E. The Medi-Cal Relations Unit is the Department's public inquiry and response unit for the Medi-Cal program.

Inquiries originate from state and federal legislators, Medi-Cal beneficiaries and providers, their agents and representatives, the press, other agencies, and the general public. Inquiries relate to all areas of the Medi-Cal program, including benefits, eligibility, fraud and abuse, organized health systems, hospital contracting, treatment authorization, and billing.

Activities of the Unit include:

- Preparing responses to controlled and non-controlled correspondence which account for 80 percent of the Director's correspondence. Preparation includes researching beneficiary problems, working with program to resolve problems or develop comments and preparing draft responses.
- Responding to telephone inquiries, totalling over 1,500 per month.
- Responding to in-person beneficiary inquiries.

OFFICE OF CAPITATED HEALTH SYSTEMS

The Office of Cap. Hlth. Sys. develops, promotes, and manages the State's financial interest in securing high-quality, cost-effective health care through organized health systems for Medi-Cal beneficiaries; initiates and operates new pilot projects; and conducts experiments, through federally funded research grants and/or waivers, with innovative approaches for improving or using organized health systems.

The Division is comprised of the following:

• Program Management Branch

A. The Program Management Branch manages established contractual relationships with prepaid health plans, health maintenance organizations, and health insuring organizations; assists in resolving issues related to contract requirements, statutes, and audit findings; develops contract sanction processes and studies; resolves policy issues; and implements regulations.

1. The Division Support Section studies and implements policy on membership issues and other policy issues, develops contract language stemming from policy issues, develops and maintains the Division's Operations Manual, and maintains liaison with the Medi-Cal fee-for-service program.

2. The Contract Support Section maintains prepaid health plan data processing systems; processes enrollments, disenrollments, and complaints by enrollees in prepaid health plans; issues monthly capitation payments and adjustments; performs fiscal analysis of prepaid health plans; and monitors fiscal viability and security.

3. The Contract Operations Section manages existing prepaid and fiscal intermediary at-risk contracts; reviews and approves marketing member materials, grievances, disenrollments, and other systems; approves and coordinates all contract renewals and amendments; and tests and certifies enrollers of beneficiaries into the health plan.

B. The Program Development Branch promotes the development of cost-effective alternatives to the fee-for-service system, provides technical assistance to potential contractors, and implements appropriate quality assurance monitoring systems for organized health systems.

• Program Development Branch

1. The Pilot Projects Section develops new prepaid health plans and pilot projects contracts for health delivery/payment systems that provide alternatives to the fee-for-service system, evaluates feasibility of pilot projects for quality and cost-effectiveness, and implements appropriate quality assurance monitoring systems.

2. The County Health Maintenance Organization Development Section develops county-government-sponsored models of health delivery/payment systems as a means to further Medi-Cal cost containment.

3. The Dental Contract Procurement Project is in the process of awarding a nonpilot contract for dental health care services on a competitive bid basis.

LICENSING AND CERTIFICATION DIVISION

The Licensing and Certification Division regulates, licenses, and certifies public and private health facilities throughout the State and enforces the Long-Term Care, Health Safety, and Security Act. These facilities include general acute and acute psychiatric hospitals, psychiatric health facilities, clinics (specialty and primary care), intermediate care facilities, intermediate care facilities-developmentally disabled, intermediate care facilities-developmentally disabled habilitative, skilled nursing facilities, home health agencies, referral agencies, adult day health care centers, chemical dependency recovery hospitals, and special hospitals.*

The Division has two branches:

- Policy and Support Branch

A. The general functions of the Policy and Support Branch are to administer the policy matters of health care programs (i.e., nursing homes, adult day health centers, acute care hospitals, etc.), and the fiscal, management, time reporting, contract coordination, and staff support services for the entire Division operations.

1. The Operations Support Section provides fiscal control and budget administration, management of the time reporting system, facilities information system, and general staff support for the Division.

2. The Policy Support Section establishes statewide program objectives, develops changes in program policies and procedures, and assists in developing the overall fiscal resources required to carry out the Division's responsibilities.

3. The Provider Participation Section coordinates the certification of institutional Medi-Cal providers.

- Field Operations Branch

B. The Field Operations Branch, through nine district and suboffices, carries out the health facilities licensing responsibilities of the Department by issuing licenses, maintaining the mandated standards of care through annual inspections, complaint investigations, and issuance of citations to long-term facilities. The Branch also provides to health facilities and their associations consultation and training designed to upgrade the care provided to patients.

C. Los Angeles County, via a contract, through the Northern, Eastern, Western, and San Gabriel Regional Offices, carries out the health facilities licensing responsibilities of the Department by issuing licenses, maintaining the standards of care through annual inspections, and complaint investigations.

To ensure adequate and safe care for patients and residents, the Division develops, implements, and enforces licensing regulations specific to each category of health care facility, clinics, and agency listed above. In addition to its licensing and enforcement responsibilities, the Division is responsible for conducting initial and annual certification surveys of all health care facilities, clinics, and agencies that are certified as providers of services under the Title XVII (Medicare) and/or Title XIX (Medi-Cal) programs.

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AUDITS AND INVESTIGATIONS DIVISION

The Audits and Investigations Division includes functions that are concerned with Medi-Cal client and provider fraud and abuse, internal and external audits, and quality control. This function operates independent of program operations and provides the public with a single focus for investigation of fraud and abuse and expresses the Director's commitment to deal firmly with such problems.

The Division consists of five major program elements:

- Investigations Branch
- Surveillance and Utilization Review Branch
- Quality Control and Evaluation Branch
- Multidiscipline Audits Branch
- Financial Audits Branch

A. The Investigations Branch is responsible for investigating alleged provider and beneficiary fraud in the Medi-Cal program. A full investigation is made of complaints concerning possible commission of a crime or a violation of a statute or regulation, particularly those violations that have potential for serious harm to a beneficiary, involve a significant amount of Medi-Cal or other funds, or show a repetitive pattern suggesting systematic abuse of the program. Investigations are conducted in full cooperation with law enforcement agencies. If fraud appears to exist, cases are referred to the Medi-Cal Fraud Unit in the Department of Justice for further investigation and possible prosecution.

B. The Surveillance and Utilization Review Branch performs postpayment reviews of services provided under the Medi-Cal program to identify unnecessary or inappropriate utilization and excess payments; assess the quality of care; recommend and initiate program; and administrative corrective action. These tasks are accomplished by licensed medical professionals assisted by technical, administrative, and clerical support staff.

C. The Multidiscipline Audits Branch conducts audits which integrate the review of both financial and medical operations of acute care hospitals and postpayment reviews of pharmacies participating in the Medi-Cal program.

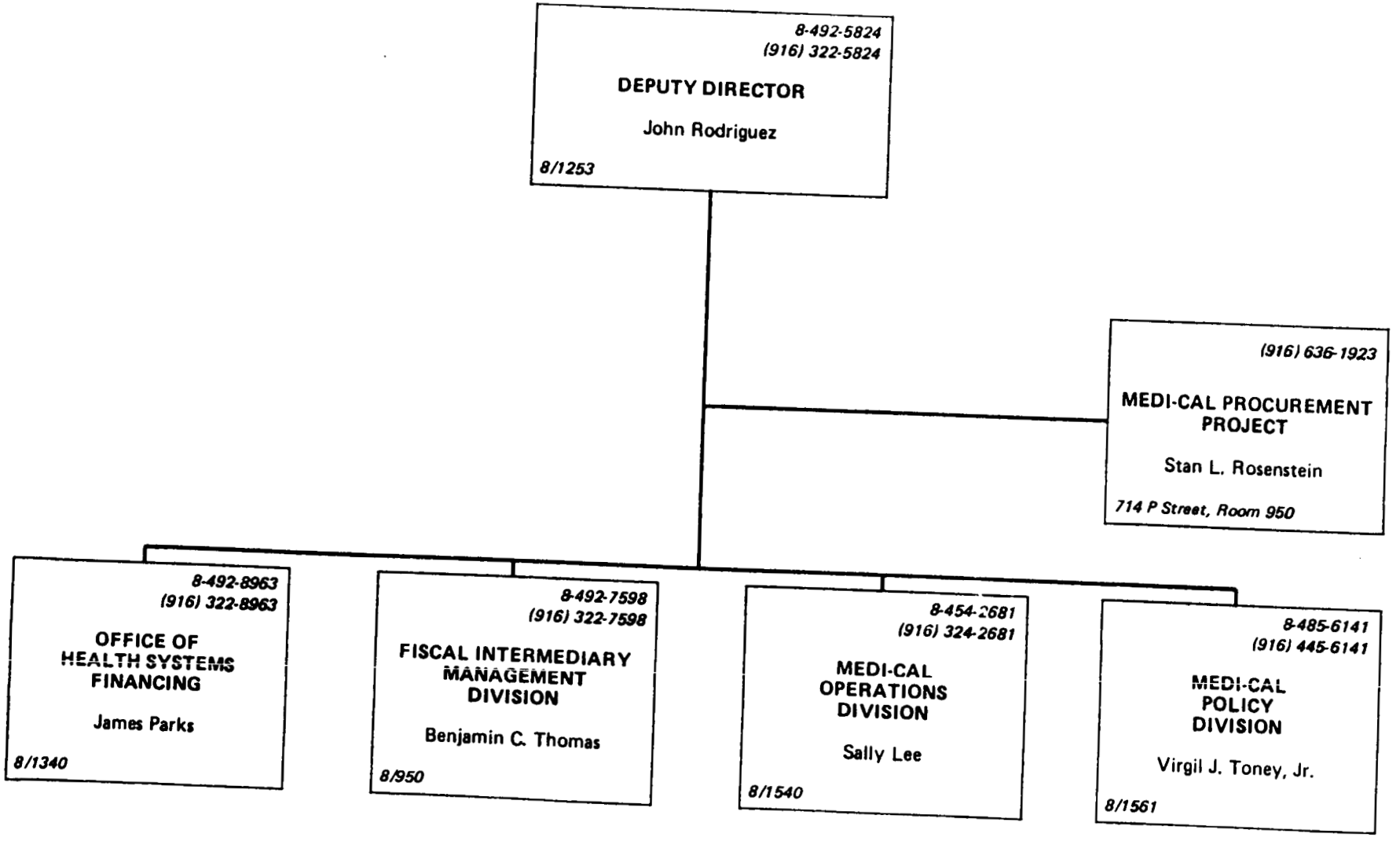
The Multidiscipline Audits Sections—North and South—provide the only postpayment medical review capability within the Department for pharmacies and acute care institutions.

D. The Quality Control and Evaluation Branch element is responsible for conducting the federally required Medicaid Quality Control Program. A statistical sample of Medi-Cal eligibles is reviewed to test the validity of the eligibility/liability determinations, the claims payment process, and third-party liability/other health coverage collection activities. The purpose of this review is to provide Department management with valid estimates of misspent Medi-Cal expenditures and analysis of the major problem areas and causes.

E. The Financial Audits Branch is responsible for the fiscal, medical, and management audits of institutional providers under the Medi-Cal program and contract providers under public health programs. Other special reviews are conducted as requested by the Health and Welfare Agency, the Attorney General, and the Auditor General.

F. The State Controller's Office will perform audits of Medi-Cal expenditures on behalf of DHS and will submit its findings and recommendations to DHS for appropriate action.

CALIFORNIA DEPARTMENT OF HEALTH SERVICES
MEDICAL CARE SERVICES



This April 1988 update is to provide current Department staff, address, and telephone changes.

John Rodriguez

November 1987

DIRECTOR'S OFFICE

ıe Director's Office provides the executive leadership for the Department. It includes the Director and Chief Deputy Director. Reporting directly to the Executive Office are the :puty Directors of External Affairs; the Office of Legal Services; Preventive Health Services; Medical Care Services; Toxic Substances Control; the Office of Civil Rights; and the Chiefs the Administration Division, the Audits and Investigations Division, and the Licensing and Certification Division.

Deputy Director for External Affairs

Under the administrative direction of the Directorate of the Department of Health Services, the Deputy Director for External Affairs will advise and assist the Director and Chief Deputy Director in the formulation, implementation, and evaluation of departmental programs, policies, and procedures, and to manage the Office of Legislative Liaison, Office of Public Information, and Office of External Affairs.

The incumbent, as the manager of the Office of Legislative Liaison, Office of Public Information, and Office of External Affairs will:

1. Serve as principal advisor to the Directorate on all matters related to legislation.
2. Serve as the legislative advocate for the Department.
3. Provide or direct testimony given by departmental experts before the Legislature.
4. Make recommendations to the Director on the Department's position on legislation.
5. Serve as the principal spokesperson for the Department to the media and other legislative, governmental, and private interest groups.
6. Oversee operation of the Department's advisory boards.

B. Deputy Director, Office of Legal Services

The Office of Legal Services provides legal advice, counsel, and representation to all Department of Health Services programs. The Office provides written and oral responses to specific requests for legal advice; reviews legislation, regulations, and contracts; and represents the Department in provider audit hearings. This Office is the liaison between the Department and the Attorney General's Office and other agencies on legal matters.

C. Office of Civil Rights

The Office of Civil Rights ensures equity and fairness in all aspects of Department personnel management, ensures that the health service delivery system is equally accessible to all California citizens, and ensures that Department operations do not infringe upon the civil rights of its employees or any of the individuals served by the Department.