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## **Provider Guidelines: Billing Compliance**

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Page updated: August 2020

This section contains information regarding steps taken by the Department of Health Care Services (DHCS) to ensure provider billing compliance.

### **Medi-Cal Provider Fraud and Abuse**

Providers suspected of abusing the Medi-Cal program should be reported to the Attorney General's Office, Bureau of Medi-Cal Fraud at 1-800-722-0432.

### **Falsifying Information**

Instructing, counseling or encouraging Medi-Cal applicants to provide false eligibility information or omit pertinent application information is a criminal offense. First-time offenders can be charged with a misdemeanor while second-time offenders can be charged with either a misdemeanor or felony (SB 1131 [Chapter 821, St. of 1993] amending 653f of the Penal Code).

### **Special Claims Review**

In accordance with the *California Code of Regulations* (CCR), Title 22, Section 51460, Special Claims Review may be imposed on a provider upon a determination that the provider has submitted improper claims, including claims that incorrectly identify codes or services provided.

Special Claims Review assists Medi-Cal in upholding proper billing procedures by subjecting certain claims from specific providers to an additional level of prepayment examination by medical professionals. Claims are submitted with documentation required to substantiate the nature, extent and medical necessity of the services claimed.

Special Claims Review applies to one or more procedure codes or to all of a provider's claims. Medi-Cal only reviews claims for dates of services within the Special Claims Review period, regardless of when submitted.

Providers may not appeal placement on Special Claims Review. Individual denied claims can be appealed through the regular appeals process as listed in the provider manual. For information about appeals, see the Appeal Process Overview section in the Part 1 manual.

## **Procedure/Drug Code Limitation**

In accordance with Senate Bill 857 and *Welfare and Institutions Code* (W&I Code) Section 14044, a Procedure/Drug Code Limitation (P/DCL) may be imposed on a provider's use of one or more codes (CPT®, NDC or HCPCS) for a period of up to 18 months, if one of the following conditions exists:

- DHCS determines, by audit or other investigation, that excessive services, billings or abuse has occurred by a provider
- A provider's licensing authority or a court of competent jurisdiction limits a licensee's practice of medicine, where the limitation precludes the licensee from performing services that could otherwise be reimbursed by Medi-Cal

A provider who is placed on the P/DCL sanction will not be able to receive Medi-Cal reimbursement for those services under restriction. In addition, providers that fill orders for lab tests, drugs, medical supplies or any other restricted services prescribed or ordered by the provider under restriction will not be reimbursed by Medi-Cal.

The limitation becomes effective after DHCS gives the provider notice of the proposed limitation, and no appeal is submitted within 45 days.

Providers may appeal within 45 days by submitting evidence that excessive services, billings or abuse did not occur. Appeal rationale and supporting documents must be sent to:

Chief of the Medical Review Branch  
Medical Review Branch  
Audits & Investigations  
MS 2303  
1500 Capitol Avenue, 4th Floor  
Sacramento, CA 95899-7413

DHCS reviews provider evidence and issues a decision within 45 days of its receipt. If the appeal is not granted, the code-use limitations will become effective 15 days after provider notification.

In a situation where the sanction could interfere with the provider's or other prescriber's ability to provide health care services to a recipient, the burden to transfer the recipient's care to another qualified provider remains the responsibility of the licensee.

After 18 months, the P/DCL automatically ceases.

The P/DCL may be used separately or in tandem with other existing anti-fraud and abuse efforts.

## **Suspended and Ineligible List**

### **Suspension by DHCS**

DHCS may terminate the participation of a provider through suspension in accordance with the regulations contained in *Welfare and Institutions Code* (W&I Code) Section 14123 and *California Code of Regulations* (CCR), Title 22, Chapter 3, Article 6, commencing with Section 51452.

### **Suspended and Ineligible Provider List**

On occasion, providers are suspended or determined ineligible to participate in the Medi-Cal program. *The Suspended and Ineligible Provider List* (S&I List) is available on the Internet at [www.medi-cal.ca.gov](http://www.medi-cal.ca.gov). Providers may view and download the S&I List in Microsoft Excel format by clicking on the "References" tab and then selecting the alphabetical entry.

## **Recipient Fraud**

Recipients suspected of abusing the Medi-Cal program should be reported to the appropriate authorities (refer to the investigations office listing on a following page) for proper investigation. To help deter Medi-Cal fraud, providers should be aware of the following:

- Individuals who are not residents of California
- Individuals who give, lend or furnish their Medi-Cal cards to any person other than Medi-Cal provider

**Note:** This example does not apply to family members presenting a card on behalf of a Medi-Cal-eligible recipient to obtain services for that recipient (for example, a relative picking up a prescription for the recipient).

- Individuals who fraudulently obtain or attempt to obtain a prescription or controlled substance through misrepresentation or concealment
- Individuals suspected of trying to obtain prescriptions to support their drug habit or for resale
- Individuals who fail to report that they have Other Health Coverage

**Note:** Refer to the *Other Health Coverage (OHC) Guidelines for Billing* section in this manual.

- Individuals who appear to have assets that would make them ineligible for Medi-Cal

**Note:** A typical family is allowed up to \$3,000 in assets. Any amount higher than \$3,000 must be reported.

## **Investigations Offices**

Any information related to recipient fraud, waste or abuse occurring in the Medi-Cal program should be reported to the nearest office of the Investigations Branch.

The statewide Medi-Cal Fraud Hotline for reporting recipients or providers is 1-800-822-6222.

### **Northern California Region**

#### **Investigations – North**

MS 2201

1500 Capitol Avenue

P.O. Box 997413

Sacramento, CA 95899-7413

Phone:(916) 650-6630

Fax:(916) 650-6663

#### **Fresno**

*(Fresno, Inyo, Kings, Madera, Mariposa, Merced, Mono, San Luis Obispo, Santa Barbara, Tulare counties)*

1782 East Bullard, Suite 104

Fresno, CA 93710-5856

Phone: (559) 446-2440

Fax: (559) 446-2455

### **Sacramento Units I and II**

*(Alameda, Alpine, Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El Dorado, Glenn, Humboldt, Lake, Lassen, Marin, Mendocino, Modoc, Monterey, Napa, Nevada, Placer, Plumas, Sacramento, San Benito, San Francisco, San Joaquin, San Mateo, Santa Clara, Santa Cruz, Shasta, Sierra, Solano, Sonoma, Stanislaus, Sutter, Tehama, Trinity, Tuolumne, Yolo, Yuba counties)*

MS 2201

1500 Capitol Avenue

P.O. Box 997413

Sacramento, CA 95899-7413

Phone:(916) 650-6630

Fax:(916) 650-6663

The statewide Medi-Cal Fraud Hotline for reporting recipients or providers is 1-800-822-6222.

## **Southern California Region**

*(Imperial, San Diego counties)*

### **Investigations – South San Diego**

7575 Metropolitan Drive, Suite 330  
San Diego, CA 92101

Phone:(619) 688-0143

Fax:(619) 688-0250

## **Eastern California Region**

### **Investigations – East**

770 The City Drive – South, Suite 7300  
Orange, CA 92868

Phone: (714) 703-2600

Fax: (714) 703-2617

Fax: (559) 446-2455

## **Western California Region**

*(Central Los Angeles County)*

### **Investigations – West**

5701 Southeastern Avenue, Suite 600  
Commerce, CA 90040

Phone: (323) 838-7000

Fax: (323) 838-7015

## **Orange**

*(Orange County)*

770 The City Drive – South, Suite 7300  
Orange, CA 92868

Phone: (714) 703-2600

Fax: (714) 703-2617

## **Bakersfield**

*(Kern County)*

1200 Discovery Plaza, Suite 160  
Bakersfield, CA 93309

Phone: (661) 395-2705

Fax: (661) 395-2707

## **Rancho Cucamonga**

*(San Bernardino, Riverside counties)*

10370 Commerce Center Drive,  
Suite 100  
Rancho Cucamonga, CA 91730

Phone: (909) 483-0227

Fax: (909) 483-0245

## **Gardena**

*(Southern Los Angeles County)*

19300 Hamilton Avenue,  
Suite 270  
Gardena, CA 90248

Phone: (310) 516-4677

Fax: (310) 516-4108

The statewide Medi-Cal Fraud Hotline for reporting recipients or providers is 1-800-822-6222.

### **West Covina**

*(San Gabriel Valley in Los Angeles County)*

1000 Lakes Drive, Suite 330  
West Covina, CA 91790

Phone: (626) 918-6685  
(626) 918-6805

Fax: (626) 918-7515

### **Granada Hills**

*(San Fernando Valley in Los Angeles County, Ventura County)*

16800 Devonshire Street,  
Suite 220  
Granada Hills, CA 91343

Phone: (818) 832-3254

Fax: (818) 832-3264

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