GOVERNMENT OF THE DISTRICT OF COLUMBIA
Department of Health Care Finance

Office of the Senior Deputy Director and Medicaid Director **Transmittal # 24-06**

TO: District of Columbia Medicaid Managed Care Organizations

FROM: Melisa Byrd M.B.
Senior Deputy Director and Medicaid Director

DATE: **January 30, 2024**

SUBJECT: **Reimbursement of Out-of-Pocket Expenditures for Managed Care Medicaid Beneficiaries**

Purpose
Pursuant to the terms of the contract entered into by the Managed Care Plans (MCPs) and the District of Columbia, each DC Medicaid MCP is required to comply with the terms of the *Salazar* Settlement Order, including any subsequent Orders entered by the Court in *Salazar v. District of Columbia,* Civil Action No. 93-452 (TSC) (D.D.C.).

Details
On September 2, 2005, in the *Salazar* case, the Court approved and entered the Order Setting Reimbursement Procedures for Medicaid Beneficiaries Enrolled with a DC Medicaid Managed Care Organization. The Order sets the procedure for the MCPs to make and communicate to their enrollees determinations on reimbursement claims that are submitted by an MCP enrollee to the MCP directly, or to the Recipient Claims Research Team at the Department of Health Care Finance (DHCF).

The Medicaid Reimbursement Form (Attached) is available from DHCF in Spanish, French, Chinese, Korean, Amharic, and Vietnamese for your enrollees with limited English proficiency.

The general procedure for such reimbursement requests is as follows:

1. The enrollee or his or her representative will submit the claim to DHCF. The Medicaid Reimbursement Form will ask the Medicaid beneficiary to identify, if known, the managed care organization with which he or she is currently enrolled.

2. DHCF will verify the beneficiary's MCP enrollment status at the time the expense was incurred.

3. If the claimant was an MCP enrollee at the time the expense was incurred, DHCF will notify the enrollee that his or her claim will be determined by the MCP. DHCF also will provide the enrollee with basic information regarding his or her rights to file an appeal with the MCP and request a fair hearing should he or she be unhappy with the final adverse determination made by the MCP.

4. Reimbursement will be subject to the following: (a) the beneficiary was eligible for Medicaid and an enrollee of the MCP at the time medical service was given, (b) the medical expense (*e.g.*, drug prescription, doctor visit or hospitalization) was medically necessary and covered under Medicaid, and (c) the reimbursement request is submitted within six months after the medical expense was incurred.

5. DHCF will forward the claim, along with the notice letter that is sent to the claimant, to the MCP. DHCF will complete this task within 30 days from the date the claim was submitted and inform the enrollee that the claim will be determined by his or her MCP. See Sample Notice Letter, Exhibit B to the Order.

6. Beneficiaries may submit reimbursement claims directly to the MCP. Whether the reimbursement claim is received directly from the enrollee or via DHCF, the MCP has 60 days from the receipt of the claim to complete its investigation into the claim and mail to the claimant a final written determination. Final written determinations consist of one of the following: (1) full payment of the claim; (2) partial payment of the claim with a full explanation of the reasons for the denial of part of the claim; or (3) denial of the claim with a full explanation of the reasons for the denial. All denials of reimbursement claims, in whole or in part, shall include a statement of the claimant's due process appeal rights and rights concerning appeals as set forth in sub-paragraphs (a)-(h) below. MCPs are not obligated to reimburse for claims unless the claim is for the type of medical assistance that the MCP would have been obligated to provide under its contract with DHCF.

   The written explanation must contain, at a minimum, the following language:

   a. "Your request for reimbursement for _____ has been denied for the following reasons: _____."

      Each element of the claim that is being denied, in part or in whole, should be given a separate explanation stating the basis for the denial. Provide as much detail as possible, writing at a fifth-grade reading comprehension level.

   b. "If you are not happy with any of these decisions, you have the right to file an appeal with the Enrollee Services___ **Department of [MCP name] at telephone number** _____, **address** _____. "

   c. "If you wish to file an appeal with the MCP, you may do so either in writing or orally. If you file an appeal orally, you must submit a written statement within 10 days of your oral statement, unless the MCP has already decided your appeal. You will receive a written

resolution within 60 calendar days unless the MCP gives you written reasons why it cannot decide your claim in this time period. The total period of time cannot exceed 30 working days. The written resolution will either be full or partial payment of your claim or a statement denying payment. If your payment is denied, the MCP will state the reason for the denial and your right to request a fair hearing."

d. "You may request a fair hearing only after you have filed an appeal and received a final adverse determination from the MCP's appeal You must request the fair hearing within 120 days of receiving the final adverse determination from your MCP. Your request should be submitted to the D.C. Office of Administrative Hearings, 441 4th Street, NW, Suite 450 North, Washington, DC 20001, 202-442-9094."

e. "If you are not happy with the result of your fair hearing before the D.C. Office of Administrative Hearings, you have the right to appeal that decision to the District of Columbia Court of Appeals. You must file your appeal within thirty (30) days after the Office of Administrative Hearings mails the final order of its decision."

f. "If the MCP's decision is reversed during the fair hearing or on appeal to D.C. Court of Appeals, the MCP has 10 working days to provide the reimbursement."

g. "If you would like assistance in filing an appeal or a fair hearing request, you may contact your MCP's _____ **Department at telephone number** _____, **address** _____. You have the right to request access to documents, records and other information you may require to understand the determination and effectively argue against that determination. You also have the right to reasonable assistance which includes, but is not limited to, competent professional interpreter services and access to toll-free telephone numbers that have adequate TTY/TTD."

h. "You may be able to obtain free legal assistance to help present your case at the hearing or on appeal. If you are a member of the class certified by the court in *Salazar v. District of Columbia,* Civil Action No. 93-452 (TSC) (D.D.C.), you may contact Terris, Pravlik and Millian, LLP, 1816 12th Street, N.W., Suite 303, Washington, DC 20009, 202-682-0578." Free legal assistance for beneficiaries who are not members of the *Salazar* class may be available from the following organizations:

Bread for the City Legal Clinic, (202) 386-7616
Legal Aid Society, (202) 628-1161
Legal Counsel for the Elderly, (202) 434-2120
Neighborhood Legal Services, (202) 832-6577
University Legal Services, (202) 547-4747

7. If the MCP fails to issue a written determination within the 60-day time period, it is required to pay the claim, in full, within 5 working days.

8. If DHCF fails to submit the claim to the MCP and in the event of such failure DHCF fails to issue a written determination within 90 days from the date of the submission of the claim, DHCF is required to pay the claim, in full, within 15 working days. If DHCF pays the claim,

it is entitled to a full recovery from the MCP if it is later determined to be a proper reimbursement request.

In addition to being under a general obligation to comply with Court Orders pertaining to *Salazar v. District of Columbia*, the requirements in this Order are consistent with and stated in the MCP contractual language.

If the claimant is successful during the fair hearing, the MCP cannot appeal that decision.

If you have questions or need additional information, please call Colleen Sonosky, Associate Director, Division of Children's Health Services, Department of Health Care Finance, at (202) 557-1625.

Attachments:
- Summary Notice
- Out-of-Pocket Reimbursement Form

Cc: DC Behavioral Health Association
DC Coalition of Disability Service Providers
DC Health Care Association
DC Home Health Association
DC Hospital Association
DC Primary Care Association
Medical Society of the District of Columbia