

**Copayment Criteria**

Current law requires Medi-Cal recipients to make a nominal copayment for most outpatient services, some emergency room services, and prescribed drugs. This legislation was implemented May 10, 1982.

The copayment amount is to be collected by or obligated to the provider at the time the service is rendered. The amounts are in addition to the usual provider reimbursement and no deduction will be made from the amounts otherwise approved by the DHCS Fiscal Intermediary (FI) for payment to the provider. The collection of the copayment by the provider is optional. A provider of service cannot, under law, deny care or services to an individual solely because of that person's inability to copay. The individual does, however, remain liable to the provider for any copayment amount owed.

The "Medi-Cal Copayment Criteria" on the following page provides an easy reference for copayment classifications and exclusions. It is up to the provider to determine whether the collection of copayment is indicated in accordance with this criteria.

## Medi-Cal Copayment Criteria

Services Subject to Copayment	Copayment Fee	Exceptions to Fee
<p><b>NON-EMERGENCY SERVICES PROVIDED IN AN EMERGENCY ROOM</b></p> <p>A nonemergency service is defined as “any service not required for alleviation of severe pain or the immediate diagnosis and treatment of severe medical conditions which, if not immediately diagnosed and treated, would lead to disability or death.” Such services provided in an emergency room are subject to copayment.</p>	<p><b>\$5.00</b></p>	<ol style="list-style-type: none"> <li>1. Persons age 18 or younger</li> <li>2. Any woman during pregnancy and the postpartum period (through the end of the month in which the 60-day period following termination of pregnancy ends)</li> <li>3. Inpatients in a health facility (hospital, skilled nursing facility or intermediate care facility)</li> </ol>
<p><b>OUTPATIENT SERVICES</b></p> <p>Physician, optometric, chiropractic, psychology, speech therapy, audiology, acupuncture, occupational therapy, podiatric, surgical center, hospital or outpatient clinic, physical therapy.</p>	<p><b>\$1.00</b></p>	<ol style="list-style-type: none"> <li>4. Any child in AFDC-Foster care</li> <li>5. Any service for which the program’s payment is \$10 or less</li> <li>6. Any hospice patient</li> </ol>
<p><b>DRUG PRESCRIPTIONS</b></p> <p>Each drug prescription or refill.</p>	<p><b>\$1.00</b></p>	<ol style="list-style-type: none"> <li>7. Family planning services and supplies</li> </ol>

**Third Party  
Liability and  
Copayments**

This policy does not change the basic copayment requirements and all previously stated exceptions/exemptions are still in place. The only changes occur when third party payments are involved.

The Consolidated Omnibus Reconciliation Act (COBRA) of 1985 contains several provisions relating to the circumstances under which providers may not collect cost-sharing (copayment) from recipients. This statute, among other things, specifies that:

1. When a Medi-Cal recipient has third party insurance which pays an amount equal to or exceeding the amount payable under Medi-Cal, the provider cannot seek to collect from the recipient any additional amounts, including Medi-Cal copayments.
2. Cost-sharing may not exceed the lesser of the amounts the recipient would be required to pay in the absence of Third Party Liability (TPL) (\$1 or \$5 under California's Copayment Program), or the difference between such TPL and the Medicaid payment amount. COBRA further states that violation of this provision could result in provider payment sanctions of up to three times the amount being sought. Also, COBRA 1985 prohibits a provider from refusing to furnish services to a Medicaid eligible recipient who has third party insurance.

The following four examples illustrate how these provisions are applied:

*Example 1:*

For the non-emergency use of an emergency room, the copayment is \$5. The hospital's bill is \$100 and TPL pays \$75. The Medi-Cal scheduled payment is \$75 and the Medi-Cal balance due is \$0.

No copayment may be collected because the \$75 TPL payment equals the Medi-Cal scheduled payment.