



December 19, 2007

Dear Long Term Care or Hospice Provider,

Subject: Adjustment of Claims for LTC Rate Changes

The Department of Health Care Services (DHCS) has retroactively updated Long Term Care (LTC) rates effective August 1, 2007. The claims payment system was updated in early November 2007.

No action is required on your part. EDS is adjusting the affected claims as follows:

- For providers predicted to see an overall increase, adjustments will appear primarily on the *Remittance Advice Details* (RADs) for December 20, 2007.
- For providers predicted to see an overall decrease of less than \$35,000 per legacy provider ID, adjustments will appear primarily on the RADs for January 10, 2008.
- For providers predicted to see an overall decrease of more than \$35,000 per legacy provider ID, adjustments will occur gradually over eight weeks, appearing on RADs beginning January 10, 2008.

Adjustments will display RAD code **0829: LTC retroactive rate adjustment** or **0885: Annual hospice rate retroadjustment**.

The recoveries are authorized under the provisions of *Welfare and Institutions Code* (W&I Code), Sections 14176 and 14177, and *California Code of Regulations* (CCR), Title 22, Section 51458.1(a)(1). In addition, the W&I Code sections authorize DHCS to enter into repayment agreements with providers or offset overpayments against amounts due. If the total warrant amount is not sufficient to offset the recovery, the negative balance will be converted to an accounts-receivable transaction and subtracted from future Medi-Cal reimbursements.

If you disagree with any of these adjustments, you may submit a *Claims Inquiry Form* (CIF) within six months of the new RAD date. For CIF completion instructions, please refer to the *CIF Completion* and *CIF Special Billing Instructions* sections in the appropriate Part 2 manual or on the Medi-Cal Web site (www.medi-cal.ca.gov). If you have questions, please call the Telephone Service Center (TSC) at 1-800-541-5555, options 11 and 18.

Sincerely,

A handwritten signature in black ink that reads "Nona Carpenter".

Nona Carpenter
Provider Relations Director

Reference Number: P8233

EDS
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Rancho Cordova, CA 95670-6017