



February 25, 2008

Dear Hospice Provider,

Subject: Erroneous Denials and Overpayments

Different levels of care should not overlap, and different room and board services should not overlap. Claims may be denied with Remittance Advice Details (RAD) code **168: More than one type of hospice care is not payable for any recipient on the same or overlapping dates of service.** EDS has identified two system errors regarding this policy. Before October 22, 2007, the system did not enforce this policy, and overlapping claims were erroneously paid. From October 22, 2007 through February 3, 2008, the system enforced this policy, but it also erroneously considered basic levels of care (Z7100, Z7102) to be in conflict with room and board, causing erroneous denials.

No action is required on your part. EDS is reprocessing the affected claims, and in addition to the issues above, certain other denied claims will also be resubmitted. The voids will appear on RADs with code **936: Claim void due to related claim(s) previously reimbursed.** The resubmits will appear on RADs with CCN prefix **804655** or **806655**. The resubmits will be paid, or denied for a valid reason if a different error is found. For providers with an anticipated overall increase, resubmits and voids will appear on RADs beginning February 28, 2008. For providers with an anticipated overall recovery, resubmits and voids will appear on RADs beginning March 20, 2008.

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 the Department of Health Care Services (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 the resubmits, you may submit a *Claims Inquiry Form* (CIF) within six months of the new RAD date. If you disagree with any of the voids, you may submit an appeal within 90 days of the RAD date. For CIF or appeal completion instructions, please refer to the *CIF Completion* and *CIF Special Billing Instructions* sections, or the *Appeal Form Completion* section, 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, option 11 then 18.

Sincerely,

A handwritten signature in cursive script that reads 'Nona Carpenter'.

Nona Carpenter
Provider Relations Director

Reference Number: P8418

EDS
3215 Prospect Park Drive
Rancho Cordova, CA 95670-6017