



June 3, 2008

Dear Inpatient Hospital Provider,

Subject: Adjustment of Claims for Administrative Days

The Department of Health Care Services (DHCS) has updated the payment system to reflect the new reimbursement rate for administrative days effective for dates of service on or after August 1, 2007.

No action is required on your part. EDS is automatically adjusting the affected claims. These adjustments will appear on *Remittance Advice Details* (RAD) beginning May 30, 2008, with RAD code **0856: Inpatient administrative day retroactive rate adjustment**.

The few 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](http://www.medi-cal.ca.gov)).

If you have questions, please call the Telephone Service Center (TSC) at 1-800-541-5555, select option 11 then option 18.

Sincerely,

A handwritten signature in black ink that reads "Nona Carpenter". The signature is written in a cursive, flowing style.

Nona Carpenter  
Provider Relations Director

Reference Number: P9077