



October 9, 2008

Dear Long Term Care Provider,

Subject: Adjustment of Claims for LTC Rate Changes

The Department of Healthcare Services (DHCS) has retroactively updated the Long Term Care (LTC) rates for a number of providers to August 1, 2007 for most providers and August 1, 2006 for some providers. The claims payment system was updated between late June 2008 and early August 2008.

No action is required on your part. EDS is adjusting the affected claims. Adjustments anticipated to show an increase will appear on *Remittance Advice Details* (RADs) beginning October 2, 2008. Adjustments anticipated to show a decrease will appear on RADs beginning October 30, 2008. All adjustments will display RAD code **0829: LTC retroactive rate adjustment**.

The recoveries are authorized under the provisions of *Welfare and Institutions* (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. Providers with questions on the financial impact of this EPC and the accounts receivable process may call EDS at (916) 636-1269.

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 option 11, followed by option 18.

Sincerely,

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

Nona Carpenter  
Provider Relations Director

Reference Number: P10036

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