



March 20, 2009

Dear Local Education Agency (LEA) Provider,

Subject: Claim Reprocessing

Previously, LEA claims with the same service code and any matching modifiers were considered duplicates and denied with Remittance Advice Details (RAD) code **010: This service is a duplicate of a previously paid claim**. On January 28, 2008, the claims processing system was updated based on an LEA policy clarification that only an exact match of the service code and all modifiers is considered a duplicate.

For certain services, the maximum payable quantity has been retroactively increased. For other services, the pricing should not depend on quantity, but was previously multiplied by the quantity. In many cases, the billed quantity was overwritten by the claims processing system; EDS, an HP company, is adjusting these relevant claims to correct the quantity, with no change of pricing.

No action is required on your part. For resubmits and price corrections, EDS is reprocessing the affected claims for dates of service on or after January 1, 2007. For quantity-only corrections, EDS is reprocessing the affected claims for dates of receipt on or after July 1, 2006 (based on the conversion to national codes). Resubmits and adjustments will appear on RADs beginning March 19, 2009. Adjustments will show RAD code **824: Price correction, after erroneous quantity cutback**. Resubmits will display Claim Control Number (CCN) prefix **907155** or **907855**.

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 adjustments or resubmits, or if you need to correct any quantities, 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 at 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".

Provider Relations Director

Reference Number: P5742/P7277

EDS, an HP company
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Rancho Cordova, CA 95670-6017