



October 16, 2009

Dear Pharmacy Provider,

Subject: Formulary Rate Correction

EDS, an HP company, has identified a system error that resulted in erroneous processing of amoxicillin liquid drugs on pharmacy claims. Due to the pricing error, claims billed for amoxicillin liquid drugs were either overpaid or underpaid for dates of service between January 12, 2009 and January 28, 2009.

No action is required on your part. EDS is adjusting the affected claims. Adjustments will appear on *Remittance Advice Details* (RADs) beginning November 12, 2009 with RAD code **0925: Rate correction – formulary file**.

The recoveries are authorized under the provisions of the *Welfare and Institutions Code* (W&I Code), Sections 14176 and 14177, and the *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 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 at 1-800-541-5555, option 11 followed by option 18.

Sincerely,

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

Nona Carpenter
Provider Relations Director

Reference Number: P11386

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