



HP Enterprise Services
3215 Prospect Park Drive
Rancho Cordova, CA 95670-6017
+1 800.541.5555

August 11, 2010

Dear Provider,

Subject: Hospice Rate Updates Effective 10/01/2009

The Centers for Medicare & Medicaid Services (CMS) has updated the daily and hourly rates for the four basic levels of care covered under the hospice benefit (procedure codes Z7100, Z7102, Z7104 and Z7106) effective October 1, 2009. The Provider Master File was updated on February 11, 2010, with the new rates.

No action is required on your part. HP Enterprise Services is reprocessing claims paid on or after October 1, 2009, through February 10, 2010. Retroactive adjustments of affected paid claims will appear on your RADs beginning August 16, 2010, with RAD message **893: Retroactive rate adjustment**. You may see payouts as well as recoveries in case of rate decreases.

These recoveries are authorized under the provisions of the *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 your 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 payments.

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 any questions regarding this adjustment, please call the Telephone Service Center (TSC) 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: P14049