



HP Enterprise Services  
3215 Prospect Park Drive  
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February 24, 2011

Dear Long Term Care (LTC) Provider,

Subject: Adjustment of Claims for Retroactive Rates

The overall annual LTC rate update for 2009/2010 was applied in June 2010. From late June to mid-August, the Department of Health Care Services (DHCS) updated several individual LTC rates, also retroactive to August 1, 2009. Some rates were increased and some were decreased.

No action is required on your part. HP Enterprise Services is adjusting the affected claims. The first wave appeared on *Remittance Advice Details* (RADs) from September 30, 2010, through October 28, 2010, but due to interference with the overall annual update, some claims were missed. Adjustments of these remaining claims will appear on RADs beginning March 10, 2011, with RAD code **0829: LTC retroactive rate adjustment**.

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 DHCS to enter into repayment agreements with providers or offset overpayments against amounts due. If the automated Erroneous Payment Correction (EPC) process negatively impacts your facility's cash flow, you may contact the Department and request other repayment options. 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, 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 website ([www.medi-cal.ca.gov](http://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 17.

Sincerely,

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

Nona Carpenter  
Provider Relations Director

Reference Number: P15052