HP Enterprise Services
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April 20, 2011

Dear Federally Qualified Health Center (FQHC) or Rural Health Clinic (RHC) Provider,

Subject: FQHC/RHC Prospective Payment Rate Adjustment

Under the Prospective Payment System (PPS), payment rates are frequently updated retroactively. The rates may increase or decrease.

Retroactive changes create the need for automatic claim reprocessing, which is done periodically. This notice is for the current cycle of PPS claim reprocessing. This is a positive adjustment for facilities with rates that increased. If a facility had a rate reduced, the adjustment is negative. These adjustments will appear on *Remittance Advice Details* (RADs) beginning April 28, 2011, with RAD code **0882: FQHC/RHC prospective payment 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 authorizes 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 an adjustment is denied or if you disagree with an adjustment, you may submit a *Claims Inquiry Form* (CIF) within six months of the 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**).

If you have questions, please call the Telephone Service Center (TSC) at 1-800-541-5555, select option 11, then option 17.

Sincerely,

Nona Carpenter

Nona Carpenter
Provider Relations Director
Reference Number: P16142