HP Enterprise Services
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May 11, 2011

Dear Long Term Care (LTC) Provider,

Subject: Adjustment of Claims for Retroactive Rates

In January and February 2011, the Department of Health Care Services (DHCS) updated various LTC rates, retroactive to various dates, mostly after August 1, 2006, but a few as early as August 1, 2001. Some rates were increased and some were decreased.

No action is required on your part. HP is adjusting the affected claims. For most providers, adjustments appeared on *Remittance Advice Details* (RADs) beginning March 10, 2011 with RAD code **0829: LTC retro rate adjustment**. For providers with significant decreases, adjustments will appear on RADs beginning May 19, 2011.

The recoveries are authorized under the provisions of 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 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 at (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,

Nona Carpenter

Nona Carpenter
Provider Relations Director

Reference Number: P16222