



HP Enterprise Services
3215 Prospect Park Drive
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May 18, 2011

Dear Long Term Care Provider,

Subject: Adjustment of Claims for Retroactive Rates

In February, March and April 2011, the Department of Health Care Services (DHCS) updated various Long Term Care (LTC) rates, retroactive to various dates as early as August 1, 2005. Some rates were increased and some were decreased.

No action is required on your part. HP Enterprise Services is adjusting the affected claims. For most providers, adjustments appear on *Remittance Advice Details* (RADs) beginning May 19, 2011 with RAD code **0829: LTC retro rate adjustment**. For providers with significant decreases, adjustments are anticipated to appear on RADs beginning June 2, 2011.

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 DHCS 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 these resubmits, 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).

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

Sincerely,

A handwritten signature in cursive script that reads "Nona Carpenter".

Nona Carpenter
Provider Relations Director

Reference Number: P16418/P16603