HP Enterprise Services
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May 25, 2011

Dear Hospital Provider,

Subject: Adjustment of Claims for Inpatient Rate Changes

The Department of Health Care Services (DHCS) retroactively updates inpatient revenue code rates. This affects the pricing of hospital claims for accommodation/revenue code **169: Administrative days.**

No action is required on your part. HP Enterprise Services is adjusting the affected hospital claims for dates of service on or after August 1, 2010. Adjustments will appear on *Remittance Advice Details* (RADs) beginning June 9, 2011, with RAD code **856: Inpatient administrative day 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 the 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 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 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 followed by option 17.

Sincerely,

Nona Carpenter

Nona Carpenter
Provider Relations Director

Reference Number: P16291