



HP Enterprise Services
3215 Prospect Park Drive
Rancho Cordova, CA 95670-6017
+1 800.541.5555

June 14, 2011

Dear Inpatient Hospital Provider,

Subject: Adjustment of Claims for Retroactive Rate Changes

A rate freeze effective July 1, 2010, was reversed in May 2011 due to a court injunction.

No action is required on your part. HP Enterprise Services is adjusting the affected claims. For most providers, adjustments will appear on *Remittance Advice Details* (RADs) beginning June 16, 2011, with RAD code **0899: Inpatient retroactive rate adjustment**. For providers with significant decreases, adjustments are anticipated to appear on RADs beginning June 30, 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 the Department of Health Care Services (DHCS) to enter into repayment agreements with providers or offset overpayments against amounts due. If the automated Erroneous Payment Claim 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,

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

Nona Carpenter
Provider Relations Director

Reference Number: P16765