



HP Enterprise Services  
3215 Prospect Park Drive  
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July 14, 2011

Dear Hospice Provider,

Subject: Adjustment of Claims for LTC Rate Changes

The Department of Health Care Services (DHCS) retroactively updates Long Term Care (LTC) rates. This affects the pricing of hospice claims for revenue code **658: Room and board**.

No action is required on your part. HP Enterprise Services (HP) is adjusting the affected hospice claims for dates of service on or after August 1, 2010. Adjustments will appear on *Remittance Advice Details* (RADs) with RAD code **0885: Annual hospice rate retroadjustment**, beginning July 21, 2011, for increases, and beginning August 4, 2011, for decreases.

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 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 at ([www.medi-cal.ca.gov](http://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 black ink that reads "Nona Carpenter". The signature is written in a cursive, flowing style.

Nona Carpenter  
Provider Relations Director

Reference Number: P16825