



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

July 28, 2011

Dear Pharmacy Provider,

Subject: Retro Rate Adjustment for Oxycodone Products

Recently, the Department of Health Care Services (DHCS) reviewed specific Oxycodone products and found pricing issues related to the reformulation of Oxycontin™. This affects dates of service on or after March 1, 2011. The claims pricing system was corrected on April 25, 2011.

No action is required on your part. HP Enterprise Services is adjusting the affected claims. While the majority of the reprocessed claims will result in positive adjustments (payouts), a few claims will result in negative adjustments (recovery). These adjustments will appear on *Remittance Advice Details* (RAD) beginning August 11, 2011 with RAD code **0925 Rate correction - Formulary file**, and Claim Control Number (CCN) prefix **120877**.

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 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).

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: P16608