HP Enterprise Services
3215 Prospect Park Drive
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August 4, 2011

Dear Provider,

Subject: Adjustment of Anesthesia Service Claims

The Department of Health Care Services (DHCS) retroactively updated the pricing policy pertaining to Certified Registered Nurse Anesthetist (CRNA) services effective March 3, 2011. These changes were done as part of the HIPAA code conversion for modifiers of anesthesia services. The system changes were implemented on May 24, 2011. Due to the retroactive policy change, some of the claims billed with anesthesia services and *Remittance Advice Details* (RAD) dates from March 3, 2011 through May 24, 2011were underpaid with a quantity cutback.

No action is required on your part. HP Enterprise Services is adjusting the affected claims for dates of service on or after March 3, 2011 through May 24, 2011. Adjustments will appear on RADs beginning August 18, 2011, with RAD code **824: Pricing correction, after erroneous quantity cutback.**

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 (**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: P16835