



HP Enterprise Services
3215 Prospect Park Drive
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August 18, 2011

Dear Federally Qualified Health Center (FQHC) or Rural Health Clinic (RHC) Provider,

Subject: FQHC/RHC Prospective Payment Rate Adjustment

Under the Prospective Payment System (PPS), payment rates are frequently updated retroactively. The rates may increase or decrease.

This notice announces the current cycle of PPS claims reprocessing for FQHCs and RHCs. The resulting payments and recoupments will appear on *Remittance Advice Details* (RADs) beginning August 18, 2011, for most providers, and September 9, 2011, for providers with significant recoveries, with RAD code **0882: FQHC/RHC prospective payment adjustment**.

The recoupments 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 authorizes the Department of Health Care Services (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 an adjustment is denied or if you disagree with an adjustment, you may submit a *Claims Inquiry Form* (CIF) within six months of the 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, then 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: P17004