



HP Enterprise Services
3215 Prospect Park Drive
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September 2, 2011

Dear Long Term Care Providers and Hospice Providers,

Subject: Adjustment of Claims for Retroactive Rates

Recently, the Department of Health Care Services (DHCS) retroactively revised a number of Long Term Care (LTC) rates. Some rates were increased and some were decreased. In addition to LTC claims, this affects claims for hospice room and board.

No action is required on your part. HP Enterprise Services is adjusting the affected claims. For most providers, adjustments appear on *Remittance Advice Details* (RADs) beginning September 9, 2011 with RAD codes **829: LTC retro rate adjustment** or **885: Annual Hospice rate retro adjustment**. For providers with significant decreases, adjustments are anticipated to appear on RADs beginning September 22, 2011. 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.

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 automated Erroneous Payment Corrections process negatively impacts your facility's cash flow, you may contact DHCS and request other repayment options.

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 (TSC) 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: P17074