



HP Enterprise Services
3215 Prospect Park Drive
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September 14, 2011

Dear Provider,

Subject: Adjustment of Claims

An error in implementing the system changes to process claims using National Correct Coding Initiative (NCCI) edits and audits had caused erroneous payment for claims billed using NCCI modifiers E1-E4, FA, F1-F9, LC, LD, LT, RC, RT, TA, T1-T9, 22, 25, 27, 58, 59, 78, 79 and 91.

The problem affected claims billed for dates of service from March 28, 2011 and with an NCCI modifier in the first modifier position for claims where a Medi-Cal modifier is required. The system was corrected on July 13, 2011. Hence:

- Claims found to only have an NCCI associated modifier will be voided since these claims should have initially been denied.
- Claims found to have other modifier(s) in modifier positions 2-4 will be adjusted as these should have been priced based on the non NCCI related modifier.

No action is required on your part. HP Enterprise Services will void or adjust the affected claims. Voids and adjustments will appear on *Remittance Advice Details* (RADs) beginning September 22, 2011 with RAD code **836: Void of claim billed using NCCI Modifier only** and RAD code **838: Adjust claim from NCCI Modifier pricing to Medi-Cal Modifier pricing** respectively with Claim Control Number (CCN) prefixes 1258-77 and 1258-78.

The recoveries are authorized under the provisions of the *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 the Department of Health Care Services 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. If you disagree with any of these voids, you may submit an appeal within 90 days of the void RAD date. For CIF or appeal completion instructions, please refer to the *CIF Completion* and *CIF Special Billing Instructions* sections, or the *Appeal Form Completion* section, 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, option 11 and then option 17.

Sincerely,

Nona Carpenter
Provider Relations Director

Reference Number: P17076