



A **xerox** Company

California MMIS  
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May 23, 2012

**Subject: CCS and GHPP Inpatient Reimbursement Methodology**

Dear CCS/GHPP Provider:

Section 14105.18 of the *Welfare and Institutions Code (W&I Code)* originally enacted in 2001 provides that reimbursement rates for all California Children's Services (CCS) and Genetically Handicapped Persons Program (GHPP) services will be the same as the rates of reimbursement for the Medi-Cal Program. This section was amended in 2008 to specify that reimbursements for inpatient services rendered to CCS and GHPP clients who are not Medi-Cal beneficiaries at hospitals that contract with Medi-Cal pursuant to the Selective Provider Contracting Program (SPCP) would be at Medi-Cal interim rates. However, this amendment was subject to a January 1, 2011 "sunset provision." On that date the provisions of section 14105.18 reverted to the original 2002 language. The provisions of section 14105.18, which became operative on January 1, 2011 require that reimbursements for inpatient services rendered to CCS and GHPP clients who are not beneficiaries of the Medi-Cal program at hospitals contracted with Medi-Cal pursuant to the SPCP for dates of services (DOS) on or after January 1, 2011, be made at the Medi-Cal SPCP contract rates.

An Erroneous Payment Correction (EPC) cycle will be completed to recover any overpayments from hospitals that contract with Medi-Cal pursuant to the SPCP on or after January 1, 2011, that may have been reimbursed at Medi-Cal interim rates for inpatient services with DOS on or after January 1, 2011, rendered to non-Medi-Cal CCS and GHPP clients.

No action is required on your part. ACS is adjusting the affected paid claims. For each adjusted paid claim, two lines appear on the Remittance Advice Details (RAD), a negation of the original claim and a replacement claim.

Adjustments will appear on RADs beginning June 7, 2012, and may be identified by RAD code **883: Retroactive Price Correction**.

In some instances involving inpatient contract providers, providers may see reduced payments due to contract agreements with Medi-Cal. Reprocessed claims are subject to all the features of the claims processing system, so any other retroactive changes will also be applied.

Recoveries are authorized under the provisions of the *Welfare and Institutions Code (W&I Code)*, Sections 14176 and 14177, and the *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 (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, and no alternate agreement is in place, the negative balance will be converted to an accounts-receivable transaction and subtracted from future CCS/GHPP/Healthy Families (HF) reimbursements.

If you disagree with any of these resubmissions/adjustments, you may submit a *Claims Inquiry Form (CIF)* within six months of the new RAD date or you may submit an Appeal Form within 90 days 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](http://www.medi-cal.ca.gov)). For Appeal completion instructions, please refer to the *Appeal Form Completion* instructions section in the appropriate Part 2 manual or on the Medi-Cal website.

If you have questions or would like to obtain an estimate of what your recoupment or overpayment will be, please call the Telephone Service Center (TSC) at 1-800-541-5555, option 11, followed by option 17.

Sincerely,

*Rick McMahan*

Rick McMahan  
*Director, Provider Relations*  
California MMIS  
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