



Rick McMahan
Director, Provider Relations
California MMIS

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September 14, 2012

Subject: Adjustment of Claims for LTC Rate Changes

Dear Provider:

The Department of Health Care Services (DHCS) updated the reimbursement rates for various Long Term Care (LTC) providers effective retroactively for dates of service from August 1, 2007, through April 27, 2011.

No action is required on your part. Xerox State Healthcare, LLC, is adjusting the affected paid claims. Some providers with a rate increase will get incremental payments. For some providers, these adjustments will result in a recovery of overpayments. Adjustments will appear on *Remittance Advice Details* (RADs) beginning September 20, 2012, with RAD code **0829: LTC Retro Rate Adjustments**.

This recovery is authorized under the provisions of *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 DHCS to enter into repayment agreements with providers or offset overpayments against amounts due. If your 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 payments.

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, option 5, followed by option 5.

Sincerely,

Rick McMahan

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Reference Numbers: P5272, P5635