



**Rick McMahan**  
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September 13, 2012

**Subject: FQHC/RHC Prospective Payment Rate Adjustment**

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

Under the Prospective Payment System (PPS), payment rates are frequently updated retroactively. The rates may increase or decrease. Retroactive changes create the need for automatic claims reprocessing, which is done periodically.

This notice is for the current cycle of PPS claims reprocessing. This is a positive adjustment for facilities with rates that increased. If a facility had a rate reduced, the adjustment is negative. Adjustments will appear on *Remittance Advice Details* (RADs) beginning September 20, 2012, with RAD code **0882: FQHC/RHC Prospective Payment Adjustment**.

This recovery is 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 the Department of Health Care Services (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](http://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 6.

Sincerely,

*Rick McMahan*

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