



Rick McMahan
Director, Provider Relations
California MMIS

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December 10, 2012

Subject: Adjustment of Claims for 10 Percent Provider Payment Reduction

Dear Provider:

Assembly Bill 97 (Statutes of 2011) added Sections 14105.07 and 14105.192 and amended Section 14126.033 of the *Welfare and Institutions Code* (W&I Code), authorizing the Department of Health Care Services (DHCS) to reduce Medi-Cal provider payments up to 10 percent, effective for dates of service on or after June 1, 2011. In addition, AB 97 requires that the Medi-Cal reimbursement rates for specified provider classes not exceed the reimbursement rates applicable to those provider classes in the 2008 – 2009 rate year, as described in subdivision (f) of Section 14105.91.

The California Medicaid Management Information System (CA-MMIS) was updated to comply with the above policy on July 13, 2012. Our records indicate that you are affected by these changes.

No action is required on your part. Xerox has adjusted claims processed from June 1, 2011, through July 12, 2012, for dates of service on or after June 1, 2011, for accommodation codes 21, 22 and 23, to reduce Nursing Facilities Level A (NF-A) claim payments to providers by 10 percent and to reimburse per the new rates.

These adjustments appeared on *Remittance Advice Details* (RADs) beginning November 29, 2012, and may be identified by RAD code **0951: Adjustment to 10 percent provider payment reduction per Assembly Bill 97 (Chapter 3, Statutes of 2011) effective 06/01/2011.**

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 regarding this adjustment, 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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