



**Rick McMahan**  
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January 28, 2013

**Subject: Adjustment of Claims for LTC Rate Changes**

Dear Providers:

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 January 1, 2006 through September 11, 2012.

No action is required on your part. Xerox State Healthcare, LLC (Xerox) 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 December 20, 2012, with RAD code **0893: Retroactive rate adjustment**.

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](http://www.medi-cal.ca.gov)).

If you have any 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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