



**Rick McMahan**  
Director, Provider Relations  
California MMIS

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January 24, 2013

**Subject: Adjustment on Claims of Some Non-Contract Hospitals**

Dear Provider:

Xerox State Healthcare, LLC, (Xerox) retroactively implemented the provisions of the Health Trailer bill of 2008.

These provisions involve changes to the payment reductions to add certain hospital providers with their periods of exemption from the 10 percent payment reduction for inpatient services. The changes also correct the 10 percent payment reduction data entries for inpatient services of certain hospital providers according to *Welfare and Institutions* Code (W&I Code) Section 14166.245, and the subsequent court injunctions that blocked this payment reduction for certain hospitals.

The CA-MMIS was updated to be compliant with the injunction on September 1, 2011. Receiving this letter indicates that you are affected by these changes.

No action is required on your part. Xerox is adjusting the affected claims for dates of service from April 6, 2009, through September 1, 2011. These adjustments will appear on *Remittance Advice Details* (RADs) beginning December 27, 2012 with RAD code **0893: Retroactive Rate Adjustment**.

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 at ([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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Director, Provider Relations  
California MMIS  
Xerox State Healthcare, LLC

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