



Rick McMahan
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California MMIS

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February 14, 2013

Subject: Adjustment of Claims Due to CCS/Medi-Cal Processing/Funding Errors

Dear California Children's Services/Healthy Families/Medi-Cal Provider:

Due to a processing issue, eligibility was erroneously determined and the California Children's Services (CCS) program reimbursed some claims that should have been paid by either the Healthy Families Program (HF) or the Medi-Cal program. Additionally, some claims were erroneously denied for eligibility-related errors.

Xerox State Healthcare, LLC, (Xerox) has been directed to reprocess claims paid from January 1, 2006, through August 31, 2012, under the CCS program to the correct payer source program.

For each adjusted paid claim, two lines will appear on the *Remittance Advice Details* (RAD): a negation of the original claim and a replacement claim. In this case, the negation lines appear on the CCS RAD and the replacement lines appear on the HF/Medi-Cal RAD.

Adjustments will appear on RADs beginning February 7, 2013, and may be identified by RAD code **0975: Adjust across financial programs**.

Xerox has also been directed to resubmit erroneously denied claims for dates of service from June 1, 2010, through August 31, 2012. These resubmissions will appear on RADs beginning February 14, 2013, with Claim Control Number (CCN) prefix 302955.

Receipt of this letter indicates that you are affected by these changes. No action is required on your part.

In some instances involving providers contracted for inpatient services, providers may see reduced payments due to contractual agreements with Medi-Cal. Reprocessed claims are subject to all features of the claims processing system, so any other retroactive changes will also be applied.

Recoveries, which are only anticipated for CCS RADs, are authorized under the provisions of the *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 the Department of Health Care Services (DHCS) to enter into repayment agreements with providers or offset overpayments against amounts due. If the total warrant amount is not sufficient to offset the recovery, and no alternate agreement is in place, the negative balance will be converted to an accounts-receivable transaction and subtracted from future CCS reimbursements.

If you disagree with any of these resubmissions and 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).



You may submit an *Appeal Form* within 90 days of the new RAD date. For *Appeal Form* completion instructions, please refer to the *Appeal Form Completion* instructions section in the appropriate Part 2 manual or on the Medi-Cal website.

If you have questions regarding these adjustments, 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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