



**Jeanne Tucker**  
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March 5, 2013

**Subject: Sales Tax Adjustment**

Dear Provider:

On July 1, 2011, the statewide sales and use tax decreased by one percent. However, the Medi-Cal system was not updated to reflect the adjusted tax rate until September 1, 2011. For the period of July 1, 2011, through August 31, 2011, the sales and use tax rates were being figured based on a one percent increase that was originally put into effect April 1, 2009, and that expired on June 30, 2011.

No action is required on your part. Xerox State Healthcare, LLC, is adjusting the affected claims. These adjustments will appear on *Remittance Advice Details* (RADs) beginning March 21, 2013, with RAD code **0916: Sales tax adjustment**.

The recoveries are 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 authorizes 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, the negative balance will be converted to an accounts receivable transaction and subtracted from future Medi-Cal reimbursements.

If you disagree with any of these resubmissions, 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 provider manual or on the Medi-Cal website ([www.medi-cal.ca.gov](http://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,

*Jeanne Tucker*

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