



Tanya E. Schuhmeier
Interim Director,
Provider Relations
California MMIS

Xerox State Healthcare, LLC
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March 22, 2013

Subject: Adjustment of Claims for 10 Percent Provider Payment Reduction

Dear Provider:

Assembly Bill 97, (Chapter 3, Statutes of 2011) authorizes 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 years, as described in subdivision (f) of Section 14105.91 of the *Welfare and Institutions Code* (W&I Code).

The payment reduction schedule for affected providers and services was implemented in the California Medicaid Management Information System (CA-MMIS) during July 2012, effective retroactively for dates of service on or after June 1, 2011.

Our records indicate that you are affected by these changes.

No action is required on your part. Xerox State Healthcare, LLC, (Xerox) is adjusting the affected paid claims. These adjustments will result in recovery of overpayments. Adjustments will appear on Remittance Advice Details (RADs) on April 4, 2013, with RAD code **0951: Adjustment to 10% provider payment reduction per Assembly Bill 97 (Chapter 3, Statutes of 2011) effective 06/01/2011.**

The April 4, 2013, RAD will include the adjustment amounts to be recovered from a provider. The negative balance for this amount will be converted to an accounts-receivable transaction and subtracted from future Medi-Cal payments at a five percent rate. The five percent rate is being used to mitigate the impact of these retroactive reductions to the provider community. This is separate from, and in addition to, the 10 percent payment reduction currently being applied. No interest will be applied to this account.

This recovery is authorized under the provisions of the W&I Code, Sections 14176 and 14177, and *California Code of Regulations* (CCR), Title 22, Section 51458.1(a)(1).

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 manual or on the Medi-Cal website (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,

Tanya E. Schuhmeier

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