



**Tanya E. Schuhmeier**  
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June 6, 2013

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

Dear Hospice Provider:

Since October 2011, the Department of Health Care Services (DHCS) retroactively updated many Long Term Care (LTC) rates. This affects the pricing of hospice claims for revenue code 658 (room and board).

No action is required on your part. Xerox State Healthcare, LLC (Xerox) is adjusting the affected hospice claims from dates of service starting August 1, 2005, through August 1, 2011. For most providers, these adjustments will result in payout, and for a few providers, these adjustments will result in recovery of overpayments. These adjustments will appear on Remittance Advice Details (RADs) starting May 30, 2013, with RAD code **885: Annual hospice rate retro adjustment**.

The recoveries are 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 14176 and 14177 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,

*Tanya E. Schuhmeier*

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Interim Director, Provider Relations  
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