



**Tanya E. Schuhmeier**  
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November 8, 2013

**Subject: Adjustments for Retroactive Long Term Care Rate Changes**

Dear Hospice Provider:

Retroactively for dates of service from January 1, 2012, through July 31, 2013, the Department of Health Care Services (DHCS) has updated the reimbursement rates for Free-Standing Nursing Facilities Level B and Free-Standing Adult Subacute Nursing Facilities Level B. This affects the pricing of hospice claims for revenue code 658 (room and board).

This is a positive adjustment for facilities with rates that increased, and a negative adjustment for facilities with rates that decreased. No action is required on your part. Xerox State Healthcare, LLC will adjust affected hospice claims. These adjustments will appear with Remittance Advice Details (RAD) code **0901: EPC Hospice Retro Rate Adjustment** beginning November 27, 2013.

The adjustments 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). Additionally, the W&I Code sections authorize DHCS to enter into repayment agreements with providers or to 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 an adjustment, 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 questions regarding these adjustments, 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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Reference Number: P14789Hosp