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December 23, 2013

Subject: FQHC/RHC Prospective Payment Adjustment

Dear FQHC or RHC Provider:

Under the Prospective Payment System (PPS), payment rates are frequently updated retroactively, meaning the rates may increase or decrease.

Retroactive changes create the need for automatic claim reprocessing, which is done periodically. This notice is for the current cycle of PPS claims reprocessing. It indicates a positive adjustment for facilities with rates that increased, and a negative adjustment for facilities with rates that decreased. These adjustments will appear with Remittance Advice Details (RAD) code **0882: FQHC/RHC prospective payment adjustment** beginning December 26, 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 the Department of Health Care Services 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).

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: P15343