



**Tanya E. Schuhmeier**  
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April 9, 2014

**Subject: Retroactive Rate Adjustment for Physician Administered Drugs**

Dear Provider:

The Department of Health Care Services (DHCS) has retroactively revised a number of Physician Administered Drug codes to increase or decrease the rates.

No action is required on your part. Xerox State Healthcare, LLC (Xerox) is adjusting the affected claims for dates of service between September 1, 2012, and September 27, 2013. Outpatient and medical claim adjustments will begin to appear on *Remittance Advice Details* (RAD) on April 3, 2014, with RAD code **0893: Retroactive rate adjustment**. For providers with significant decreases, these adjustments are anticipated to appear on RADs beginning April 17, 2014. 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.

Xerox will also void Part B crossover claims reimbursed with old rates and resubmit them for processing with new rates. Voids will appear on RADs beginning April 17, 2014, with RAD code **0819: Void and resubmit of claims processed in error**. Corresponding resubmissions will appear on RADs beginning the week of May 1, 2014, with Claim Control Number (CCN) prefixes **410388** and **411088**.

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 sections authorize DHCS to enter into repayment agreements with providers or offset overpayments against amounts due. If the automated Erroneous Payment Correction (EPC) process negatively impacts your facility's cash flow, you may contact DHCS and request other repayment options.

If you disagree with these resubmissions/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 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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