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June 27, 2014

Subject: FQHC/RHC Prospective Payment Rate Adjustment

Dear Federally Qualified Health Center (FQHC) or Rural Health Clinic (RHC) Provider:

Under the Prospective Payment System (PPS), payment rates are frequently updated retroactively. The rates may increase or decrease. Facilities with a rate increase will see a positive adjustment. Facilities with a rate decrease will see a negative adjustment.

Retroactive rate changes create the need for periodic automatic claims reprocessing. This notice is for the current cycle of PPS claims reprocessing. These adjustments will appear on *Remittance Advice Details* (RAD) beginning July 3, 2014, with RAD code **0882: FQHC/RHC prospective payment adjustment**.

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 the Department of Health Care Services to enter into repayment agreements with providers or 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 an adjustment is denied or if you disagree with an adjustment, you may submit a *Claims Inquiry Form* (CIF) within six months of the 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.

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Reference Number: P19231