



**Tanya E. Schuhmeier**  
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July 30, 2014

**Subject: Adjustment of Laboratory Services Claims Due to Annual Rate Updates**

Dear Provider:

In compliance with *Welfare and Institutions Code* (W&I Code), Section 14105.22, Medi-Cal maximum reimbursement rates for clinical laboratory or laboratory services may not exceed 80 percent of the lowest maximum allowance established by the federal Medicare program for the same or similar services.

Therefore, Xerox State Healthcare, LLC (Xerox) has revised the 2011 and 2012 rates to adjust the reimbursement of paid claims for laboratory services under the following procedure codes:

|       |       |       |       |       |       |       |       |
|-------|-------|-------|-------|-------|-------|-------|-------|
| 80047 | 80400 | 80402 | 80406 | 80408 | 80410 | 80412 | 80414 |
| 80415 | 80416 | 80417 | 80418 | 80420 | 80422 | 80424 | 80426 |
| 80428 | 80430 | 80432 | 80434 | 80435 | 80436 | 80438 | 80439 |
| 80440 | 81020 | 82075 | 83020 | 83037 | 83719 | 83861 | 83937 |
| 83950 | 83951 | 83987 | 84061 | 84449 | 84586 | 85397 | 85598 |
| 86005 | 86305 | 86336 | 86355 | 86780 | 86825 | 86826 | 86901 |
| 87150 | 87153 | 87493 | 87905 | 87906 | 88720 | 88738 | 88740 |
| 88741 | 89310 | 89325 | G0123 | G0143 | G0144 | G0145 | G0147 |
| G0148 | G0432 | G0433 | G0435 | G9143 | P9612 |       |       |

No action is required on your part. Xerox will adjust the affected claims processed from January 1, 2011, through August 6, 2013. These adjustments will appear on *Remittance Advice Details* (RAD) beginning July 31, 2014, with RAD code **0883: Retroactive price correction**.

The recoveries are authorized under the provisions of 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 authorizes 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 you disagree with these adjustments, you may submit a *Claims Inquiry Form* (CIF) within six months of the new RAD date, or you may submit an *Appeal Form* within 90 days 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)). For *Appeal Form* completion instructions, please refer to the *Appeal Form Completion* section in the appropriate Part 2 manual or on the Medi-Cal website.

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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*Director, Provider Relations*  
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Reference Number: P15453