



Tanya E. Schuhmeier
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September 26, 2014

Subject: Adjustment of Claims for Retroactive Long Term Care Rate Changes

Dear Provider:

The Department of Health Care Services (DHCS) has updated rates for Long Term Care providers. This affects the pricing of hospice claims for revenue code 658 (room and board).

No action is required on your part. Xerox State Healthcare, LLC, (Xerox) is adjusting the affected hospice claims for dates of service on or after August 1, 2009. If a facility had a rate increase, the adjustment is positive. If a facility had a rate reduction, the adjustment is negative. Positive and negative adjustments will appear on *Remittance Advice Details* (RAD) beginning September 18, 2014, with RAD code **0885: Annual hospice rate retroadjustment**.

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 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 any of these 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).

If you have questions regarding these adjustments, please call the Telephone Service Center at 1-800-541-5555, option 5, followed by option 5.

Sincerely,

Tanya E. Schuhmeier

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