



Tanya E. Schuhmeier
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September 29, 2014

Subject: RHC/FQHC Prospective Payment Adjustment

Dear Provider:

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

Retroactive rate changes create the need for automatic claim reprocessing, which is done periodically. This notice is for the current cycle of PPS claim reprocessing. If a facility had a rate increase, the adjustment is positive. If a facility had a rate reduction, the adjustment is negative. These adjustments will appear on *Remittance Advice Details* (RAD) beginning October 2, 2014 (for positive adjustments), and October 16, 2014 (for negative adjustments), 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 (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 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 provider 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 6.

Sincerely,

Tanya E. Schuhmeier

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