



Tanya E. Schuhmeier
Director, Provider Relations
California MMIS

Xerox State Healthcare, LLC
820 Stillwater Road
West Sacramento, CA 95605

www.xerox.com/govhealthcare

October 21, 2014

Subject: Adjustment of CPT-4 Code 88175 Claims Due to 2013 Annual Rate Update

Dear Provider:

The Department of Health Care Services (DHCS) updated the rate for CPT-4 code 88175 to comply with the statutory rates for clinical laboratory services, with a retroactive effective date of January 1, 2013. The system was updated on June 23, 2014.

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.

No action is required on your part. Xerox State Healthcare, LLC (Xerox) will adjust the affected claims for dates of service from January 1, 2013, through June 23, 2014. These adjustments will appear on *Remittance Advice Details* (RAD) beginning October 23, 2014 (for positive adjustments), and November 6, 2014 (for negative adjustments), with RAD code **0893: Retroactive rate adjustment**.

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 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 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). 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 at 1-800-541-5555, option 5, followed by option 6.

Sincerely,

Tanya E. Schuhmeier

Tanya E. Schuhmeier
Director, Provider Relations
California MMIS
Xerox State Healthcare, LLC

Reference Number: P21583