



Tanya E. Schuhmeier
Director, Provider Relations
California MMIS

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

www.xerox.com/govhealthcare

January 28, 2015

Dear Provider:

Subject: Overpayment of Hospice Claims with Share of Cost

The Department of Health Care Services (DHCS) retroactively updates Long Term Care (LTC) rates. This affects the pricing of hospice claims for revenue code 658 (room and board). Erroneous Payment Corrections (EPCs) are done periodically to adjust claim payments. However, the adjustment process is not fully compatible with the process for distributing deductions, such as Share of Cost (SOC), across the lines of a claim. Most commonly, deductions were applied correctly to original claims, but some adjustments were overpaid.

No action is required on your part. Xerox State Healthcare, LLC (Xerox) will adjust the affected claims for dates of service on or after August 29, 2011. Since some of these claim lines were adjusted by prior EPCs, the reprocessing order of claim lines will vary. The order in which SOC deduction was applied will change on some claim lines, however total SOC deducted for a claim page will remain the same. These adjustments will appear on *Remittance Advice Details* (RAD) forms beginning January 29, 2015 (for positive adjustments), and February 12, 2015 (for negative adjustments), with RAD code **0888: Erroneous Payment Correction (EPC) to correct earlier EPC.**

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 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 (TSC) 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: P19339