



Tanya E. Schuhmeier
Director, Provider Relations
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May 21, 2015

Subject: Adjustment of PAD Claims Due to Rate Updates for Fourth Quarter of 2014

Dear Provider:

The Department of Health Care Services (DHCS) has updated the rates for various Physician Administered Drug (PAD) codes in accordance with the *Welfare and Institutions Code* (W&I Code) Section 14105.456. This update is effective retroactively for dates of service on or after October 1, 2014. The system was updated on March 24, 2015.

No action is required on your part. Xerox State Healthcare, LLC (Xerox) will adjust the affected claims. These adjustments will appear on *Remittance Advice Details* (RAD) forms beginning May 28, 2015 (for positive adjustments), and June 11, 2015 (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

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