



Tanya E. Schuhmeier
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August 13, 2015

Subject: Adjustment of LTC Claims Due to Retroactive Rate Updates

Dear Provider:

The Department of Health Care Services (DHCS) has updated Long Term Care (LTC) rates for Free Standing Nursing Facilities Level-B (FS/NF-B), effective retroactively for dates of service on or after August 1, 2014.

No action is required on your part. Xerox State Healthcare, LLC (Xerox) will adjust the affected claims. Positive adjustments were already processed during July 2015, and should have appeared on *Remittance Advice Details* (RAD) forms beginning July 23, 2015, with RAD code **0829: LTC retro rate adjustment**. Negative adjustments will appear on *Remittance Advice Details* (RAD) forms beginning August 27, 2015, with RAD code **0981: State initiated claim 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 DHCS to enter into repayment agreements with providers. Your overpayment will be converted to an Accounts Receivable (A/R) transaction and 5 percent will be withheld from future weekly checkwrites until the A/R transaction is satisfied. If the reprocessing of a previously paid claim goes into suspense status (for example, flagged for manual review), the amount of the overpayment on that claim will not be calculated in the claims system until manual review is completed, so the claim can be reprocessed. Any such overpayment will be converted to a separate A/R transaction. The system will withhold an additional 5 percent from future weekly checkwrites for any such additional A/R transactions until satisfied.

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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