March 13, 2018

Subject: Retroactive Rate Adjustments to PAD Claims for Select Codes

Dear Provider:

In accordance with Welfare and Institutions Code (W&I Code), Section 14105.456, the Department of Health Care Services (DHCS) has updated the rates for various physician-administered drug (PAD) codes. This update is effective retroactively for dates of service on or after April 1, 2017, through September 22, 2017. If the rate increased, the adjustment is positive. If the rate was reduced, the adjustment is negative.

No action is required on your part. Conduent will adjust the affected claims. These adjustments will appear on Remittance Advice Details (RAD) forms beginning March 8, 2018 (for positive adjustments), and March 29, 2018 (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
Conduent

Reference Number: P42131