May 17, 2019

Subject: Adjustment of DRG Inpatient Claims Due to Retroactive Rate Updates

Dear Provider:

The Department of Health Care Services (DHCS) updated provider reimbursement rates for diagnosis-related group (DRG) inpatient claims for out-of-state border hospitals, effective retroactively for dates of service on or after December 21, 2015. If the rate was increased, the adjustment is positive. If the rate was reduced, the adjustment is negative.

No action is required on your part. The California Medicaid Management Information System (MMIS) Fiscal Intermediary, Conduent State Healthcare, LLC, will adjust the affected claims. These adjustments will appear on Remittance Advice Details (RAD) forms beginning June 13, 2019, with RAD code 0883: Retroactive price correction.

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 California MMIS Fiscal Intermediary Telephone Service Center at 1-800-541-5555, option 5, followed by option 6 or write to the California MMIS Fiscal Intermediary Correspondence Specialist Unit at P.O. Box 13029, Sacramento, CA 95813-4029.

Sincerely,

Evonne Pelaez
Director, Provider Relations
Conduent State Healthcare, LLC, on behalf of California Department of Health Care Services

Reference Number: P50409