October 1, 2019

Subject: Rate Adjustments to Claims for Select Physician-Administered Drug 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 provider reimbursement rates for select physician-administered drug codes. This update is effective retroactively for dates of service from January 1, 2018, through July 23, 2018. 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 September 26, 2019 (for positive adjustments), and October 24, 2019 (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 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,

Tanya E. Schuhmeier
Assistant Executive Director/Deputy Program Director, CA-MMIS
Acting Director, Provider Relations
Conduent State Healthcare, LLC, on behalf of
California Department of Health Care Services

Reference Number: P51597