



RICHARD FIGUEROA  
ACTING DIRECTOR

State of California—Health and Human Services Agency  
Department of Health Care Services



GAVIN NEWSOM  
GOVERNOR

January 21, 2020

**Subject: Adjustment of Laboratory Services Claims Due to Retroactive Rate Updates**

Dear Provider:

The Department of Health Care Services (DHCS) is implementing an additional phase of the Erroneous Payment Correction (EPC) P33416, *Adjustment of Laboratory Services Claims Due to Retroactive Rate Updates* to adjust provider reimbursement rates for clinical laboratory services, effective retroactively for dates of service on or after July 1, 2015. The clinical laboratory rates were updated in accordance with California Assembly Bill 1494 (Chapter 28, Statutes of 2012) and the approved State Plan Amendment 15-015.

The Department of Health Care Services (DHCS) updated provider reimbursement rates for clinical laboratory services, effective retroactively for dates of service on or after July 1, 2015.

No action is required on your part. The California Medicaid Management Information System (MMIS) Fiscal Intermediary will adjust the affected claims. These adjustments will appear on *Remittance Advice Details* (RAD) forms beginning approximately February 13, 2020, with RAD code **0893: Retroactive rate 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 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](http://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,

*Cindy Garrett*

Cindy Garrett  
Director, Provider & Member Services  
DXC Technology, on behalf of  
California Department of Health Care Services

Reference Number: P33416G