



BRADLEY P. GILBERT, MD, MPP
DIRECTOR

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



GAVIN NEWSOM
GOVERNOR

June 16, 2020

Subject: Reprocessing of Erroneously Paid and Denied Claims for Physician Administered Drug Codes

Dear Provider:

The Department of Health Care Services (DHCS) identified a claims processing issue affecting certain claims for select Physician-Administered Drug codes. This issue caused some claims to erroneously pay and other claims to erroneously deny with Remittance Advice Details (RAD) code **9898: HCPCS Qualifier and NDC (National Drug Code)/UPN (Universal Product Number) is invalid**. The issue affected claims for dates of service from January 1, 2018, through September 24, 2018.

No action is required on your part. The California Medicaid Management Information System (MMIS) Fiscal Intermediary will adjust erroneously paid claims and resubmit erroneously denied claims. These adjustments will appear on RAD forms beginning June 25, 2020 (for positive adjustments), and July 16, 2020 (for negative adjustments), with RAD code **0893: Retroactive rate adjustments**. Resubmissions of denied claims will appear on RAD forms beginning June 25, 2020 with Claim Control Number (CCN) roll number **55 (Resubmit)**. The roll number is the fifth and sixth digits of the CCN.

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 or resubmissions, 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 or resubmissions 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: P40395