



WILL LIGHTBOURNE
DIRECTOR

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



GAVIN NEWSOM
GOVERNOR

September 1, 2020

Subject: FQHC/RHC Prospective Payment System Rate Adjustment

Dear Provider:

Under the Prospective Payment System (PPS), payment rates frequently receive retroactive updates, meaning the rates may increase or decrease.

Retroactive rate changes create the need for automatic claim reprocessing, which is done periodically. This notice is for the first quarter of the year 2020 cycle of PPS claim reprocessing for Federally Qualified Health Centers (FQHCs) and Rural Health Clinics (RHCs). If a facility had a rate increased, the adjustment is positive. If a facility had a rate reduced, the adjustment is negative.

No action is required on your part. The California Medicaid Management Information System (CA-MMIS) Fiscal Intermediary will adjust the affected claims for dates of service on or after July 1, 2016. These adjustments will appear on *Remittance Advice Details* (RAD) forms beginning September 3, 2020 (for positive adjustments), and October 1, 2020 (for negative adjustments), with RAD code **882: FQHC/RHC prospective payment 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 the Department of Health Care Services (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 CA-MMIS Fiscal Intermediary Telephone Service Center at 1-800-541-5555, option 5, followed by option 6 or write to the CA-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: P41601