



December 4, 2008

Dear Pharmacy or CCS/GHPP/HF Provider,

Subject: Overpaid Pharmacy, CCS, GHPP and Healthy Families claims

Effective July 1, 2008, a 10 percent reduction applies to most claims. Effective August 18, 2008, this reduction was terminated for certain pharmacy claims paid by Medi-Cal. However, the reduction continues for claims paid by California Children's Services (CCS), Genetically Handicapped Persons Program (GHPP) or Healthy Families (HF), and continues for pharmacy supplies (medical, incontinent, diabetic) and enteral products. The system did not apply the continuing reduction during most of September 2008.

EDS is adjusting the affected claims. These adjustments will appear on *Remittance Advice Details* (RADs) beginning December 4, 2008, with RAD code **0966: Retroactive rate adjustment**.

This recovery is authorized under the provisions of the *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/CCS/GHPP/HF reimbursements.

If you disagree with any of these adjustments, you may submit a *Claims Inquiry Form* (CIF) within six months from 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 Web site ([www.medi-cal.ca.gov](http://www.medi-cal.ca.gov)).

If you have questions, please call the Telephone Service Center (TSC) at 1-800-541-5555, option 11 and then option 18.

Sincerely,

A handwritten signature in cursive script that reads "Nona Carpenter".

Nona Carpenter  
Provider Relations Director

Reference Number: P10557

**EDS, an HP company**  
3215 Prospect Park Drive  
Rancho Cordova, CA 95670-6017