



December 17, 2008

Dear California Children's Services/Healthy Families/Medi-Cal Provider,

Subject: Retroactive Eligibility Changes

Due to eligibility processing issues, the California Children's Services (CCS) program paid some claims that should have been paid by either the Healthy Families (HF) or Medi-Cal programs. This incorrect payment occurred because a client's CCS eligibility was established first, and the HF/Medi-Cal eligibility was then established retroactively. EDS, an HP company, has been directed to periodically reprocess CCS claims to correct the payer source for such cases. Receipt of this letter indicates that you currently have claims within this cycle of reprocessing.

No action is required on your part. EDS is adjusting the affected paid claims. For each adjusted paid claim, two lines appear on the *Remittance Advice Details* (RAD): a negation of the original claim and a replacement claim. In this case, the negation lines are intended to be on the CCS RAD, and the replacement lines are intended to be on the HF/Medi-Cal RAD. Please note that the higher rates applied to selected CCS services are driven by the CCS authorization, rather than by the financial program/RAD. Therefore, these higher CCS rates are expected to be preserved. Adjustments will appear on RADs beginning December 18, 2008, and may be identified by RAD code **975: Adjust across financial programs**.

In some instances involving contract providers, if the claim was originally billed with a non-contract provider number and the reprocessed claim is expected to pay under the Medi-Cal program, EDS will void the original claim and resubmit the claim with the contract number. In this case, providers may see reduced payments. Voided claims will appear on CCS RADs beginning approximately January 8, 2009 with RAD code **975: Adjust across financial programs**. Resubmitted claims will appear on Medi-Cal RADs beginning approximately January 22, 2009, with Claim Control Number (CCN) **55**.

Reprocessed claims are subject to all the features of the claims processing system, so that any other retroactive changes will also be applied.

Recoveries, which are only anticipated for CCS RADs, 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, and no alternate agreement is in place, the negative balance will be converted to an accounts-receivable transaction and subtracted from future CCS reimbursements.

Page 2

If you disagree with any of these adjustments or claim resubmissions, you may submit a *Claims Inquiry Form* (CIF) within six months of the new RAD date. For completion instructions, please refer to the *CIF Completion* section and *CIF Special Billing Instructions* section in the appropriate Part 2 manual or on the Medi-Cal Web site (www.medi-cal.ca.gov).

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

Sincerely,

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

Nona Carpenter
Provider Relations Director

Reference Number: P10554