



December 3, 2007

Dear Inpatient Hospital Provider,

Subject: Retroactive Rate Change

Some inpatient hospitals within California are paid at contracted rates; the rest are paid interim rates subject to cost settlement. The contracted daily rates are all inclusive so that ancillaries are not priced separately.

For hospitals outside California, the daily rate applied by Medi-Cal is the statewide average of the in-state contracted rates. For dates of service in 2005, this was \$1207. For dates of service in 2006, this increased to \$1232. The claims payment system was updated with the 2006 rate on June 1, 2007.

No action is required on your part. EDS is reprocessing the affected claims. These adjustments will appear on *Remittance Advice Details* (RADs) beginning November 26, 2007, with RAD code **861: Out-of-state inpatient rates adjustment**.

If an adjustment claim is denied, or if you disagree with any of these adjustments, you may submit a *Claims Inquiry Form* (CIF) within six months 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 Web site (www.medi-cal.ca.gov). If you have questions, please call the Telephone Service Center at 1-800-541-5555, or (916) 636-1960 if you are calling from outside of California.

Sincerely,

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

Nona Carpenter
Provider Relations Director

Reference Number: P7393

EDS
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Rancho Cordova, CA 95670-6017