



June 23, 2008

Dear Hospital Provider,

Subject: Adjustment of Claims to Non-Contract Pricing

With the National Provider Identifier (NPI) conversion in mid-December 2007, some inpatient facility NPIs were erroneously pointed to obsolete contract pricing. The Medi-Cal system was corrected between March 25, 2008 and May 9, 2008.

EDS is adjusting the affected claims. These adjustments will appear on *Remittance Advice Details* (RADs) beginning June 12, 2008 with RAD code **0889: Adjustment due to rate file error**. While most claims will price higher, some will price lower. No provider is anticipated to see an overall recovery.

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 from the 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, select option 11, and then option 18.

Sincerely,

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

Nona Carpenter  
Provider Relations Director

Reference Number: P9541

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