



October 23, 2008

Dear Inpatient Hospital Provider,

Subject: 2007 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 paid 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 effective January 1, 2006, this rate was \$1,232. For dates of service effective January 1, 2007, this increased to \$1,309. The claims payment system was updated with the 2007 rate on May 9, 2008.

No action is required on your part. EDS is reprocessing the affected claims. These adjustments will appear on *Remittance Advice Details* (RADs) beginning October 23, 2008, 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 black ink that reads 'Nona Carpenter' in a cursive script.

Nona Carpenter
Provider Relations Director

Reference Number: P9519

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