



November 10, 2008

Dear Long Term Care (LTC) Provider,

Subject: Adjustment of Claims for LTC Rate Changes

The Department of Health Care Services (DHCS) has retroactively updated the LTC rates for a number of providers, effective August 1, 2007 for most providers, but effective August 1, 2006 or August 1, 2005 for some providers. Some rates were increased and some were decreased. The claims payment system was updated between mid-August 2008 and early September 2008.

No action is required on your part. EDS is adjusting the affected claims. Adjustments will appear on *Remittance Advice Details* (RADs) beginning December 4, 2008, with RAD code **0829: LTC retroactive rate adjustment**.

The recoveries are authorized under the provisions of *Welfare and Institutions* (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 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 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 (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: P10224

EDS, an HP company
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Rancho Cordova, CA 95670-6017