



January 30, 2009

Dear Inpatient Hospital Provider,

Subject: Overpaid Claims

Some inpatient hospitals within California are paid at contracted rates (the rest are paid interim rates subject to cost settlement). The contracted rates are all-inclusive daily rates in which ancillaries are paid zero and are not priced separately from the accommodation services. For hospitals outside the state of California, the daily rate applied by Medi-Cal is the statewide average of the in-state contracted rates.

EDS, an HP company has identified a system error that resulted in the payment of ancillaries on some out-of-state claims. The system was fixed on December 22, 2008.

No action is required on your part. EDS is adjusting the affected claims (which appeared on *Remittance Advice Details* (RADs) dated after February 1, 2006) to recover the overpayment on ancillaries. These adjustments will appear on RADs beginning February 26, 2009 with RAD code **0944: Correction of payment rate**.

This recovery is authorized under the provisions of the *Welfare and Institutions Code* (W&I Code), Sections 14176 and 14177, and the *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, or the provider may send a check directly to EDS at the address below to settle the negative balance:

EDS, an HP company
Attn: Cash Control Unit
3215 Prospect Park Drive
Rancho Cordova, CA 95670-6017

If you disagree with any of these adjustments, you may submit a *Claims Inquiry Form* (CIF) within six months from 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, or at (916) 636-1960 if you are calling from outside the state of California, and select option 11, then option 18.

Sincerely,

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

Nona Carpenter
Provider Relations Director
Reference Number: P10029

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3215 Prospect Park Drive
Rancho Cordova, CA 95670-6017