



March 2, 2009

Dear Long Term Care Provider,

Subject: Adjustment of Claims for LTC Rate Changes

The Department of Health Care Services (DHCS) has retroactively updated the Long Term Care (LTC) rates for most providers, effective August 1, 2008. Some rates were increased and some were decreased. The claims payment system was updated in January 2009.

No action is required on your part. EDS, an HP company, is adjusting the affected claims. Adjustments will appear on *Remittance Advice Details* (RADs) beginning February 26, 2009, with RAD code **0829: LTC retroactive rate adjustment.**

The recoveries are authorized under the provisions of *Welfare and Institutions Code* (W&I), 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: P11199/P11282

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