



March 4, 2009

Dear Hospice Provider,

Subject: Retroactive Rate Increase

The Centers for Medicare & Medicaid Services (CMS) has updated the daily and hourly rates for the four basic levels of hospice care. The Department of Health Care Services (DHCS) authorized new rates effective October 1, 2008. The system was updated with the new rates by December 26, 2008.

No action is required on your part. EDS, an HP company, is adjusting the affected claims. These adjustments appear on *Remittance Advice Details* (RADs) beginning March 5, 2009, with RAD code **885: Annual hospice rate retroadjustment**.

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).

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 black ink that reads 'Nona Carpenter'.

Nona Carpenter
Provider Relations Director

Reference Number: P11243