



May 11, 2009

Dear Long Term Care (LTC) Provider,

Subject: Adjustment of Claims for LTC Rate Changes

The Department of Health Care Services (DHCS) has retroactively updated several Long Term Care (LTC) rates. Some of the rates increased, while other rates decreased. The claims payment system was updated in February and March 2009 to accommodate the LTC rate changes.

No action is required on your part. EDS, an HP company, is modifying the affected claims. Adjustments will appear on *Remittance Advice Details* (RADs) beginning April 23, 2009, 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, and then option 18.

Sincerely,

A handwritten signature in black ink that reads 'Nona Carpenter'.

Nona Carpenter
Provider Relations Director

Reference Numbers: P11754

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