



May 19, 2009

Dear Long Term Care (LTC) Provider,

Subject: Adjustment of Claims for LTC Rate Changes

In April and May 2009, the Department of Health Care Services (DHCS) updated various LTC rates, retroactive to August 1, 2007 for some providers, and August 1, 2008 for other providers. Some rates were increased and some were decreased.

No action is required on your part. EDS, an HP company, is adjusting the affected claims. Adjustments will appear on *Remittance Advice Details* (RADs) with RAD code **0829: LTC retroactive rate adjustment**. Positive adjustments will begin to appear May 21, 2009, and recovery adjustments will begin to appear June 4, 2009.

The recoveries are authorized under the provisions of *Welfare and Institutions Code* (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 black ink that reads 'Nona Carpenter' in a cursive script.

Nona Carpenter
Provider Relations Director

Reference Number: P11962