



June 15, 2009

Dear Hospice Provider,

Subject: Adjustment of Claims for LTC Rate Changes

The Department of Health Care Services (DHCS) retroactively updates Long Term Care (LTC) rates. This affects the pricing of hospice claims for service code 658 (room and board).

No action is required on your part. EDS, an HP company, is adjusting the affected claims for dates of service on or after August 1, 2007, as follows:

- For claims predicted to price higher, adjustments will appear primarily on the *Remittance Advice Details* (RADs) of June 11, 2009.
- For claims predicted to price lower, adjustments will appear primarily on the RADs of July 9, 2009.

Adjustments will display RAD code **0885: Annual hospice rate retroadjustment**.

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 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: P12015

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