



July 6, 2009

Dear Hospital Provider,

Subject: AB 1183-Related Adjustments for Non-Contract Hospitals

The original policy per Assembly Bill 1183 reimburses well-baby days with the same acute care rate per day for the mother, for certain non-contract hospitals, for dates of service on or after October 1, 2008. This policy was reviewed and the well-baby reimbursement rate was determined to be in excess of the limits established in AB 1183. Consequently, reimbursement for well-baby services has been changed to one cent per day for disproportionate share hospital payment calculation purposes. Claims will be reprocessed and overpayments will be recouped.

Also included in the reprocessing will be adjustments due to an April 6, 2009 court injunction for the Department of Health Care Services (DHCS) to suspend the California Medical Assistance Commission minus 5 percent rate on these non-contract hospitals' inpatient services. This mandate is according to *Welfare and Institutions Code* (W&I Code) Section 14166.245, as amended by AB 1183, effective for dates of service on or after April 6, 2009. Effective these dates of service, these hospitals should instead be paid their interim reimbursement rates minus the mandated 10 percent provider payment reduction.

No action is required on your part. EDS, an HP company, is adjusting the affected claims. Beginning July 1, 2009 these adjustments will appear on *Remittance Advice Details* (RADs) with RAD code **0899: Inpatient retroactive rate adjustment** and Claim Control Number (CCN) prefix **9177-77** or **9177-92-9**.

If you disagree with an adjustment, 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 then 18.

Sincerely,

A handwritten signature in black ink that reads "Nona Carpenter". The signature is written in a cursive, flowing style.

Nona Carpenter
Provider Relations Director

Reference Number: P12060

EDS, an HP company
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