



August 21, 2009

Dear California Children's Services/Healthy Families/Medi-Cal Provider,

Subject: Retroactive Eligibility Changes

Due to establishment of retroactive Medi-Cal, or California Children's Services (CCS) eligibility, the Healthy Families (HF) Program paid some claims that should have been paid by either the CCS program or the Medi-Cal program. This occurred because a client's HF eligibility was established first, resulting in claims paying based on HF eligibility. CCS/Medi-Cal eligibility was then established retroactively. EDS, an HP company, has been directed to periodically reprocess claims paid under the HF program to the correct payer source such as Medi-Cal, or CCS. Receipt of this letter indicates that you currently have claims within this cycle of reprocessing.

No action is required on your part. EDS is adjusting the affected paid claims. For each adjusted paid claim, two lines appear on the *Remittance Advice Details* (RAD): a negation of the original claim and a replacement claim. In this case, the negation lines are intended to be on the HF RAD, and the replacement lines are intended to be on the CCS/Medi-Cal RAD. Adjustments will appear on RADs beginning August 20, 2009, and may be identified by RAD code **0975: Adjust across financial programs**.

Reprocessed claims are subject to all the features of the claims processing system, so that any other retroactive changes will also be applied.

Recoveries, which are only anticipated for HF RADs, are authorized under the provisions of the *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 the Department of Health Care Services (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, and no alternate agreement is in place, the negative balance will be converted to an accounts-receivable transaction and subtracted from future HF reimbursements.

If you disagree with any of these adjustments or resubmits, you may submit a *Claims Inquiry Form* (CIF) within six months of the new RAD date. For 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 any 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". The signature is written in a cursive, flowing style.

Nona Carpenter
Provider Relations Director

Reference Number: P11869b

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