



February 10, 2010

Dear Provider,

Subject: Adjustment of Claims for Hospice Rate Changes

Daily and hourly rates for the four basic levels of care covered under the hospice benefit (procedure codes Z7100, Z7102, Z7104 and Z7106) were revised retroactive to October 1, 2008, due to the American Recovery and Reinvestment Tax Act of 2009. The system was updated on November 16, 2009, with the new rates.

No action is required on your part. EDS, an HP company, is adjusting claims paid on or after October 1, 2008, through November 15, 2009. Adjustments will appear on *Remittance Advice Details* (RADs) beginning February 18, 2010, with RAD code **0893: 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 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, 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: P13416

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