



HP Enterprise Services
3215 Prospect Park Drive
Rancho Cordova, CA 95670-6017
+1 800.541.5555

April 20, 2010

Dear Healthy Families/Medi-Cal Provider,

Subject: Retroactive Eligibility Changes

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

No action is required on your part. HP is adjusting the affected paid claims. For each adjusted paid claim, two lines appear on the *Remittance Advice Details* (RADs): 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 Medi-Cal RAD. Adjustments will appear on RADs beginning May 6, 2010, and may be identified by RAD code **0975: Adjust across financial programs**.

In some instances involving inpatient contract providers, if the claim was originally billed with a non-contract provider number and the reprocessed claim is expected to pay under the Medi-Cal program, HP will void the original claim and resubmit the claim with the contract number. In this case, providers may see reduced payments due to contract agreements with Medi-Cal paying at a different rate. Voided claims will appear on HF RADs beginning approximately May 6, 2010, with RAD code **0975: Adjust across financial programs**. Resubmitted claims will appear on Medi-Cal RADs beginning approximately May 13, 2010, with Claim Control Number (CCN) roll number prefix **012455**.

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, 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". The signature is written in a cursive, flowing style.

Nona Carpenter
Provider Relations Director
Reference Number: P13889b