



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

June 21, 2010

Dear Pharmacy Provider,

Subject: Retroactive Rate Adjustment of Claims for Triamcinolone Acetonide Cream 0.025 percent

The Department of Health Care Services (DHCS) instructed HP Enterprise Services to remove the Triamcinolone Acetonide Cream 0.025 percent Maximum Allowable Ingredient Cost (MAIC) from all products retroactive to October 28, 2004, and erase the re-established Triamcinolone Acetonide Cream 0.025 percent MAIC from the Medi-Cal provider manual. The appropriate pricing changes to the Medi-Cal formulary file were made on September 3, 2009. This resulted in claims paid from October 28, 2004, through September 3, 2009, being underpaid or overpaid.

No action is required on your part. HP is adjusting the affected claims with the date of service from October 28, 2004, through September 3, 2009. Adjustments will appear on *Remittance Advice Details* (RADs) beginning June 28, 2010, with RAD code **0893: Retroactive rate adjustment**. You may see payout adjustments as well as recoveries.

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 (TSC) at 1-800-541-5555, option 11 followed by option 18.

Sincerely,

A handwritten signature in cursive script that reads "Nona Carpenter".

Nona Carpenter
Provider Relations Director

Reference Number: P12827