



HP Enterprise Services
3215 Prospect Park Drive
Rancho Cordova, CA 95670-6017
+1 916.636.1000

October 14, 2010

Dear Hospice Provider,

Subject: Adjustment of Claims for LTC Rate Changes

The Department of Health Care Services (DHCS) retroactively updates Long Term Care (LTC) rates. This affects the pricing of hospice claims for service code **658: Room and Board**.

No action is required on your part. HP Enterprise Services is adjusting the affected hospice claims for dates of service on or after August 1, 2009, as follows:

- For providers predicted to see an overall increase, adjustment claims were installed in October, 2007, and will appear on *Remittance Advice Details* (RADs) soon after the budget signing.
- For providers predicted to see an overall recovery, adjustment claims will be installed about two weeks after the date of this letter. For providers with large recoveries, adjustment claims will be installed gradually across multiple weeks. The RAD dates depend on the date of the budget signing.

Adjustments will display RAD code **0885: Annual hospice rate retroactive adjustment**. 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 website (www.medi-cal.ca.gov).

If you have questions, please call the Telephone Service Center (TSC) at 1-800-541-5555, select option 11 and then option 17.

Sincerely,

A handwritten signature in black ink that reads "Nona Carpenter".

Nona Carpenter
Provider Relations Director
Reference Number: P14689LT