



HP Enterprise Services
3215 Prospect Park Drive
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November 10, 2010

Dear Lab Provider,

Subject: Adjustment of Lab for Medicare Limits

Medi-Cal's lab prices are limited by Medicare's prices. This only becomes an issue when Medi-Cal pays special rates, such as for outpatient hospitals or for certain California Children's Services (CCS) claims. Some Medicare limits for pathology CPT-4 codes **86901**, **84166**, **83630**, **89322** and **89331** have been retroactively updated in the Medi-Cal system. For nearly all claims, the ceiling has been lowered for a net decrease.

No action is required on your part. HP will adjust the affected claims. In addition to this letter, phone calls will be placed to the providers impacted over \$9,000 each. Adjustments will appear on *Remittance Advice Details* (RADs) beginning December 2, 2010, with RAD code **944: Correction of payment rate**.

This recovery is 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 the Department of Health Care Services (DHCS) to enter into repayment agreements with providers or to offset overpayments against amounts due. If your 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 payments.

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, option 11 followed by option 17.

Sincerely,

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

Nona Carpenter
Provider Relations Director

Reference Number: P11703