



HP Enterprise Services
3215 Prospect Park Drive
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December 22, 2010

Dear Long Term Care (LTC) Provider,

Subject: Claims Reprocessing Retroactive to August 1, 2010

On December 15, 2010, the claims processing system was updated with new LTC rates retroactive to August 1, 2010. Some rates were increased, and some were decreased.

No action is required on your part. HP is adjusting the affected claims. For providers with an overall increase, adjustments will appear on Remittance Advice Details (RAD) code **0829: LTC retroactive rate adjustment** beginning December 30, 2010. For providers with an overall decrease, adjustments will appear on RADs beginning January 13, 2011.

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 the Department of Health Care Services (DHCS) to enter into repayment agreements with providers or offset overpayments against amounts due. If the automated Erroneous Payment Claim (EPC) process negatively impacts your facility's cash flow, you may contact DHCS and request other repayment options. 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 the 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 and then option 17.

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: P15888