



Tanya E. Schuhmeier
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December 16, 2016

Subject: FQHC/RHC Prospective Payment Rate Adjustment

Dear Provider:

Under the Prospective Payment System (PPS), payment rates frequently receive retroactive updates, meaning the rates may increase or decrease.

Retroactive rate changes create the need for automatic claim reprocessing, which is done periodically. This notice is for the 2nd and 3rd quarters of the year 2016 cycle of PPS claim reprocessing for Federally Qualified Health Centers (FQHC) and Rural Health Clinics (RHC). If a facility had a rate increased, the adjustment is positive. If a facility had a rate reduced, the adjustment is negative. These adjustments will appear on *Remittance Advice Details* (RAD) forms beginning December 29, 2016 (for positive adjustments), and January 5, 2017 (for negative adjustments), with RAD code **0882: FQHC/RHC prospective payment 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 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, 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 RAD date or you may submit an *Appeal Form* within 90 days 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). For *Appeal Form* completion instructions, please refer to the *Appeal Form Completion* section in the appropriate Part 2 manual or on the Medi-Cal website.

If you have questions regarding these adjustments, please call the Telephone Service Center at 1-800-541-5555, option 5, followed by option 6.

Sincerely,

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