



November 21, 2007

Dear Local Education Agency (LEA) Provider,

Subject: Erroneous Payments

LEA billing codes were converted from local codes to national codes as of July 1, 2006. This letter addresses the following issues with the new national codes:

- For all national codes, claims were paid at the incorrect FMAP rate. LEAs were reimbursed 100 percent of the maximum allowable rate (instead of 50 percent) until processing date October 30, 2006.
- For five billing codes, initial treatment service claims were reimbursed at the maximum allowable rate multiplied by the number of units billed (rather than one maximum allowable rate regardless of the units billed). This letter addresses payments through October 9, 2006. Adjustments for incorrect payments after October 9, 2006 will be addressed in a separate letter in the future.
- For billing code '96100,' with dates of service prior to November 1, 2006, and processed after November 1, 2006, claims were underpaid at the IEP/IFSP amended psychological assessment maximum allowable rate until June 24, 2007.

No action is required on your part. EDS is reprocessing the affected claims. These adjustments will appear on *Remittance Advice Details* (RADs) beginning January 3, 2008, with RAD code **944: Correction of Payment Rate**, or RAD code **883: Retroactive price correction**.

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. Providers may call EDS at (916) 636-1269 for questions on the financial impact of this EPC and the accounts receivable process.

If you disagree with any of these adjustments, you may submit a *Claims Inquiry Form* (CIF) within six months from the 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](http://www.medi-cal.ca.gov)). If you have questions, please call the Telephone Service Center (TSC) at 1-800-541-5555.

Sincerely,

A handwritten signature in black ink that reads "Nona Carpenter". The signature is written in a cursive, flowing style.

Provider Relations Director  
Reference Number: P6002/P7844

**EDS**  
3215 Prospect Park Drive  
Rancho Cordova, CA 95670-6017