

**February 27, 2017**

*Please do not reply to this email. If you have LEA policy or program questions, please forward them to the LEA mailbox at: [LEA@dhcs.ca.gov](mailto:LEA@dhcs.ca.gov)*

The following items are posted on the LEA Medi-Cal Billing Option Program Website:

- **Policy and Procedure Letter (PPL) 17-002** titled *“Rescinding Policy and Procedure Letters (PPL) 13-004, 13-014, and 16-019 Regarding Subrecipient Monitoring for CMAA, TCM, LEA BOP, and SMAA Contracts”* is posted under the *Policies and Legislation* heading of the LEA website, or directly link to [PPL 17-002](#).
  - The purpose of PPL 17-002 is to rescind PPLs 13-004, 13-014, and 16-019 regarding subrecipient monitoring requirements for CMAA and SMAA, and to expand the scope of the subject to TCM and LEA BOP.
- **Update Regarding Claims Adjustments:** Beginning February 14, 2017, Conduent, Inc. (formerly Xerox) began issuing LEAs participating in the LEA Medi-Cal Billing Option Program an adjustment of LEA claims due to under- and over-collection on withholds, using RAD 728 (*Payment to Provider of an Amount Resulting from Other Than a Cost Settlement*) for the return to LEAs of over-collected withholds, and RAD 720 (*Amount Withheld as a Result of Provider Debt Other Than Cost Settlement or Claims Overpayment*) to offset money owed back to DHCS for under-collected withholds.