

**DEPARTMENT OF HEALTH SERVICES**

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July 12, 2001

TO: All County Welfare Directors  
All County Administrative Officers  
All County Medi-Cal Program Specialists/Liaisons  
All County Health Executives  
All County Mental Health Directors

Letter No.: 01-38

**MEDI-CAL OVERPAYMENTS AND THE TREATMENT OF THE CAPITATED  
MANAGED CARE RATE AS A COVERED SERVICE**

This letter is to inform you that effective immediately, for the purpose of calculating overpayments, any managed care capitation rates are to be treated as a covered service. Potential overpayments referred to the Department of Health Services, Audits and Investigation (A&I) for a breakdown of Medi-Cal paid services will also be reviewed for the amount that Medi-Cal has paid in capitation rates on behalf of the beneficiary. A&I will return this information to the county in the same manner as for other Medi-Cal paid services.

If you have any questions regarding this letter, please contact Vicki Partington of my staff at (916) 654-5909 or E-Mail [Vparting@dhs.ca.gov](mailto:Vparting@dhs.ca.gov).

Sincerely,

ORIGINAL SIGNED BY

Shar Schroepfer, Chief  
Medi-Cal Eligibility Branch