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Adjustment of Laboratory Services Claims Due to Annual Rate Update

In a recent memorandum from Xerox State Healthcare, LLC (Xerox), which processes all of the Medi-Cal claims for the California Department of Healthcare Services (DHCS), in compliance with Welfare and Institutions Code (W&I Code), Section 14105.22, Medi-Cal maximum reimbursement rates for clinical laboratory or laboratory services may not exceed 80 percent of the lowest maximum allowance established by the Federal Medicare program for the same or similar services.

Therefore, Xerox State Healthcare, LLC has revised the 2011 and 2012 rates to adjust the reimbursements of “paid claims” for laboratory services under the following procedure codes. This means Xerox State Healthcare, LLC will begin taking back money paid on these previously paid claims. (70 CPT CODES)

80047	80400	80402	80406	80408	80410	80412
80414	80415	80416	80417	80418	80420	80422
80424	80426	80428	80430	80432	80434	80435
80436	80438	80439	80440	81020	82075	83020
83037	83719	83861	83937	83950	83951	83987
84061	84449	84586	85397	85598	86005	86305
86336	86355	86780	86825	86826	86901	87150
87153	87493	87905	87906	88720	88738	88740
88741	89310	89325	G0123	G0143	G0144	G0145
G0147	G0148	G0432	G0433	G0435	G9143	P9612

According to Xerox State Healthcare, LLC there is no action required on the provider side as they will adjust the affected claims processed from January 1, 2011 through August 6, 2013. These adjustments will appear on Remittance Advice Details (RAD) beginning July 31, 2014 with RAD code **“0883: Retroactive Price Correction.”**

It further explains that the recoveries are authorized under the provisions of W&I Code, Sections 14176 and 14177, and California Code Regulations (CCR), Title 22, Section 51458.1(a)(1). In addition, the W&I Code authorizes the Department of Health Care Services 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 these adjustments, you may submit a Claims Inquiry Form (CIF) within six months of the new RAD date, or you may submit an Appeal Form within 90 days of the new RAD date.

APS Medical Billing is closely monitoring and will provide an update as it becomes available. Should you have questions, please contact your Practice Manager.