



State of California—Health and Human Services Agency
Department of Health Care Services



WILL LIGHTBOURNE
DIRECTOR

GAVIN NEWSOM
GOVERNOR

February 26, 2021

Subject: Adjustments to Claims for Select Physician-Administered Drug Codes

Dear Provider:

In accordance with *Welfare and Institutions Code* (W&I Code) Section 14105.456, the Department of Health Care Services (DHCS) has updated the rates for Healthcare Common Procedure Coding System (HCPCS) Level II codes J3490 with modifier U5 (Ulipristal acetate), J3490 with modifier U6 (Levonorgestrel), and J3490 with modifier U8 (Medroxyprogesterone acetate). This update is effective retroactively for dates of service from July 1, 2020. If the rates are increased, the adjustment is positive. If the rates are reduced, the adjustment is negative.

No action is required on your part. The California Medicaid Management Information System (MMIS) Fiscal Intermediary will adjust the affected claims. These adjustments will appear on *Remittance Advice Details* (RAD) forms beginning March 18, 2021 with RAD code **0893: Retroactive rate adjustments**.

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 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 new 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 Provider 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 Provider website.

If you have questions regarding these adjustments, please call the California MMIS Fiscal Intermediary Telephone Service Center at 1-800-541-5555, option 5, followed by option 5 or write to the California MMIS Fiscal Intermediary Correspondence Specialist Unit at P.O. Box 13029, Sacramento, CA 95813-4029.

Sincerely,

Cindy Garrett

Cindy Garrett

Director, Provider & Member Services

Gainwell Technologies, on behalf of

California Department of Health Care Services

Reference Number: P42227