



WILL LIGHTBOURNE
DIRECTOR

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



GAVIN NEWSOM
GOVERNOR

PROVIDER NAME
ADDRESS 1
ADDRESS 2
CITY, STATE ZIP

October 29, 2021
NPI # 123456789

Subject: Adjustment of Claims Due to Sales Tax Rate Update

Dear Provider:

The Department of Health Care Services (DHCS) updated sales tax rates to ensure that reimbursements for claims that bill taxable HCPCS codes and medical supply codes for services provided in Alameda, San Francisco, San Mateo and Santa Clara include the correct sales tax. This update is effective for dates of service on or after July 1, 2021. If the rate was increased, the adjustment is positive. If the rate was 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 RAD forms beginning October 21, 2021 (for positive adjustments), and November 25, 2021 (for negative adjustments), with RAD code **0823: Sales tax adjustment**.

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: P43132