

PROVIDER NAME
ADDRESS 1
ADDRESS 2
CITY, STATE ZIP

May 22, 2025
NPI # 123456789

MEDI-CAL PAYMENT ADJUSTMENT FOR SELECT PROVIDERS

Dear Provider:

The Department of Health Care Services (DHCS) identified a system issue affecting payments for certain providers who rendered services for the Medi-Cal program. This issue caused incorrect payment for some providers, resulting in overpayments or underpayments. The issue affected payments with a date of payment December 30, 2024. Medi-Cal rectified the problem and corrected the payments via Account Receivable (AR) transactions in the weeks that followed.

It was later identified that not all corrections were applied as expected, and further adjustments are required to make impacted provider's whole or to satisfy monies owed the program.

No action is required on your part. The California Medicaid Management Information System (MMIS) Fiscal Intermediary will adjust the payments via AR. These adjustments will appear on *Remittance Advice Details* (RAD) forms beginning May 22, 2025.

- Payments will be made under an AR prefix of 526, with RAD code **0728: Payment to provider was made for an amount due resulting from other than a cost settlement.**
- Withholds will be made under an AR prefix of 536, with RAD code **0720: The amount has been withheld as a result of a provider debt other than a cost settlement or claims overpayment.**
- Withholds for a prior negative balance will be made under AR prefix 331, with RAD code **0714: The amount has been withheld for a negative balance transferred to an accounts receivable.**

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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). Additionally, 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 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: P45581