

PROVIDER NAME
ADDRESS 1
ADDRESS 2
CITY, STATE ZIP

October 22, 2025
NPI # 123456789

FQHC/RHC PROSPECTIVE PAYMENT RATE ADJUSTMENT

Dear Provider:

The Department of Health Care Services (DHCS) updated provider reimbursement rates for Federally Qualified Health Centers (FQHCs) and Rural Health Clinics (RHCs) for the first quarter of the Prospective Payment System (PPS) 2025 claim reprocessing cycle. If a facility had a rate increased, the adjustment is positive. If a facility had a rate reduced, the adjustment is negative.

Under the PPS, payment rates frequently receive retroactive updates, meaning the rates may increase or decrease. Retroactive rate changes create the need for automatic claim reprocessing, which is done periodically.

No action is required on your part. The California Medicaid Management Information System (MMIS) Fiscal Intermediary will adjust the affected claims for dates of service on or after July 1, 2020. These adjustments will appear on *Remittance Advice Details* (RAD) forms beginning October 16, 2025 (for positive adjustments), and November 13, 2025 (for negative adjustments), with **RAD code 0882: FQHC/RHC prospective payment 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.

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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, 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, 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, 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: P45441