



# Recommencement of Pharmacy Retroactive Claim Adjustments: Publication of Updated Frequently Asked Questions (FAQs)

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August 21, 2023

## What Pharmacy Providers Need to Know

Pursuant to the February 2016 Centers for Medicare & Medicaid Services (CMS) rule on covered outpatient drugs, the Department of Health Care Services (DHCS) is required to use a pricing methodology based on Actual Acquisition Cost (AAC). Adoption of this policy necessitated retroactive adjustments for impacted claims with dates of service (DOS) April 1, 2017, through February 23, 2019.

While DHCS had initiated adjustments in May 2019, this effort was paused. The purpose of this alert is to remind pharmacies that retroactive claim adjustments will recommence at the end of August 2023, with recoupments set to begin in October 2023.

Medi-Cal Rx has published an updated support document, [Pharmacy Retroactive Claims Adjustment Frequently Asked Questions \(FAQs\)](#), with additional information about the process and available resources.

Pharmacies meeting the requirements of Assembly Bill 179, Statutes of 2022, which allowed DHCS to forego the recoupment of overpayments from independent pharmacies, will be notified of their accounts receivable (AR) cancellations in early 2024.

# What Pharmacy Providers Need to Do

- Review the July 31, 2023 alert titled [Recommencement of Pharmacy Retroactive Claim Adjustments in August 2023](#), for an overview of the recoupment effort.
- Read the updated [Pharmacy Retroactive Claim Adjustments Frequently Asked Questions \(FAQs\)](#). Included in the FAQs are the following:
  - Overview of the reprocessing effort
  - Background of AAC
  - Claim adjustment and AR recoupment schedule
  - Claim adjustment reprocessing specifics
  - AR recoupment specifics
  - Contact information
- Beginning in late August 2023, access the Medi-Cal Remittance Advice Details (RADs)/835 files, available through the [Medi-Cal Provider Portal](#), to review the detail of the claims adjusted and the total adjustment for that iteration.

**Note:** This is **not** the Medi-Cal Rx Provider Portal.

All adjustments will appear on RAD forms with **Code 0812: Covered Outpatient Drug Retroactive Payment Adjustment**.

- Beginning in late October 2023, access the Medi-Cal Rx RADs/835 files, available from the Medi-Cal Rx Finance Portal accessible via the [Medi-Cal Rx Provider Portal](#), to review the AR recoupments.
- In early 2024, monitor for notification of AR cancellations for those pharmacies meeting the requirements of AB 179, Statutes of 2022, which allowed DHCS to forego the recoupment of overpayments from independent pharmacies.

## Contact Information

Contact information is provided in the [Pharmacy Retroactive Claim Adjustments Frequently Asked Questions \(FAQs\)](#).