
Remittance Advice Details (RAD) and Medi-Cal Financial Summary

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Providers are reimbursed for Medi-Cal covered services with warrants issued by the State Controller's Office (SCO). Both institutional and non-institutional providers receive a *Remittance Advice Details* (RAD) that lists providers' claims for a particular payment period, or checkwrite. The RAD is produced by the SCO from a payment tape received from the California MMIS Fiscal Intermediary and is used by providers to reconcile their records with claims that have been paid, denied or suspended. Providers also receive a summary sheet called the *Medi-Cal Financial Summary* that includes a State-issued Negotiable Warrant, a Direct Deposit Advice or a No Payment Advice. A *Medi-Cal Financial Summary* example is on a following page in this section.

Note: The RAD is a two-sided, 8½ x 11-inch form that includes unique fields for each provider type. Refer to the *Remittance Advice Details (RAD) Examples* section in the Part 2 manual for an explanation of form items and sample reimbursement data for Medi-Cal claims and Medicare/Medi-Cal crossover claims.

The RAD is mailed by the State and contains reimbursement data of claims being paid relevant to the payment period and a cumulative summary of year-to-date earnings. Providers may be reimbursed with a paper warrant or via direct deposit through an Electronic Fund Transfer (EFT). Payment is based on information supplied by the FI concerning all adjudicated and certain suspended claims for that checkwrite. Providers receive a separate warrant for each program in which they are enrolled. Refer to the *Electronic Fund Transfer* section in this manual for EFT information.

If there are no claims being paid, or if a payment is being applied to a negative adjustment or Accounts Receivable (A/R), a No Payment Advice will be issued instead of a warrant.

Claims are reported on the RAD in the following order: adjustments, approves, denies and suspends.

«The following spreadsheet contains RAD codes, messages and electronic correlations that may be used in reconciling accounts:

- [Remittance Advice Details \(RAD\) Codes, Messages and Electronic Correlations](#)»

Online PDF RADs

Providers can access a PDF version of their RAD and *Medi-Cal Financial Summary* in the Transactions area of the Medi-Cal website. To access the transaction, providers must have a signed *Medi-Cal Point of Service (POS) Network/Internet Agreement* form on file, an NPI and PIN.

The financial summary available online is informational only and does not contain a negotiable warrant or direct deposit advice. The PDF RAD contains all the information of paper RADs and financial summaries. Printed versions of the online PDF RADs are adequate to submit as supporting documentation with *Claims Inquiry Forms (CIFs)* and *Appeal Forms*.

Adjustments

Previously paid claims may be adjusted if an error in payment occurred. An adjustment may be initiated by the provider, the FI or the State. A *Claims Inquiry Form (CIF)* is used for processing an adjustment (refer to the *CIF Overview* section in this manual for additional CIF information). An adjustment appears as two lines on a RAD. Line 1 deducts the original payment and line 2 reflects the correct payment.

A “void” adjustment appears on the RAD as a single line with a negative (-) amount. A void recovers the original payment without automatically reprocessing a claim. After a void is completed and claim history is adjusted, providers may submit a new claim. Voids are normally performed when an incorrect provider has been reimbursed for a service.

Approves

Approved claims are line items passing final adjudication. They may be reimbursed as submitted or at reduced amounts according to Medi-Cal program reimbursement specifications. Reduced payments are noted on the RAD with the corresponding reason code.

Denies

Denied claim lines represent claims that are unacceptable for payment due to one of the following conditions:

- Claim information cannot be validated by the Fiscal Intermediary.
- The billed service is not a program benefit.
- The line item fails the edit/audit process.

A denied message on the RAD is the only record of a claim denial.

Suspends

Claims requiring manual review or return of a *Resubmission Turnaround Document* will temporarily suspend and appear on the RAD with a “suspend” message code. After a suspended claim has been in the claims processing system for more than 30 days, it will appear on the RAD until payment or denial.

Providers should not submit *Claims Inquiry Forms* (CIFs) for claims listed as “Suspends” on the most recent RAD.

Accounts Receivable Transactions

RADs may also reflect Accounts Receivable (A/R) transactions when necessary either to recover funds from or pay funds to a provider.

FI's Accounts Receivable system is used in financial transactions pertaining to:

- Recoupment of interim payments
- Withholds against payments to providers according to State instructions
- Payments to providers according to State instructions

Accounts Receivable transactions appear last on a RAD as follows:

- They are identified in FI's system by a 10-digit A/R transaction number, such as “1234567890.”
- Amounts can be either positive (+) or negative (-) figures that correspond to the increase or decrease in the amount of the warrant.
- A/R transaction codes appear at the bottom of the page in the RAD message column and begin with the number “7.”

Claims that appear on the RAD are sorted by recipient name sequence (alphabetical by last name of recipient and date of service).

Medi-Cal Financial Summary

The *Medi-Cal Financial Summary* shows reimbursement data with month-to-date and year-to-date payment totals (see “Explanation of Form Items” on a following page in this section). The bottom portion of the summary page may include a State-issued Negotiable Warrant, a Direct Deposit Advice or a No Payment Advice. Providers receive a separate warrant for each program in which they are enrolled.

CALIFORNIA		MEDI-CAL FINANCIAL SUMMARY				
PROVIDER NAME	BANK TRANSIT	ACCOUNT NUMBER	ACS SEQUENCE NUMBER (C)			
PROVIDER NUMBER	PAYMENT DATE	PAYMENT NUMBER	PAYMENT AMOUNT	REMITTANCE ADVICE PAGES		
1. PRIOR YTD	(A)	ALLOWED (+) AMOUNT	OTHER (-) PAYMENT	ADJUSTMENT INFO (-) DEBIT (+) CREDIT		AMOUNT PAID
2. PAYMENT SUMMARY:						
3. MEDI-CAL ADJUSTMENTS ----->						
4. MEDI-CAL APPROVES ----->						
5. MEDICARE ADJUSTMENTS ----->						
6. MEDICARE APPROVES ----->						
7. SUB-TOTAL----->						
8. A/R PAYMENTS ----->	(E)					
9. A/R APPLIED (-) ----->						
10. NEGATIVE BALANCE CREATED -->						
11. WARRANT AMOUNT ----->						
12. CALENDAR YR. TO DATE --->						
13. NON CASH RECONCILIATION ITEMS:						
14. 1099 ADJUSTMENT (INCREASE) ----->						
15. 1099 ADJUSTMENT (DECREASE) ----->						
16. 1099 ADJUSTMENT FOR PERSONAL CHECK REFUND ----->						
17. CHECKS AND RETURNED WARRANTS ----->						
18. ADJUSTED 1099 AMOUNT ----->						
19. 1099 YTD TOTAL ----->						
(B)						(D)

State of California
DIRECT DEPOSIT ADVICE

Provider Number Fund No. Fund Name
MO DAY YR

THIS IS NOT A CHECK

When changing accounts or financial institutions notify ACS immediately. Do not close your old account until you have received your first payment in your new account

DOLLARS	CENTS
\$	

«Figure 1: Medi-Cal Financial Summary. Direct Deposit Advice Example Indicates Payment Through Electronic Fund Transfer (EFT).»

Explanation of Form Items

«The following sections and numbered items appear on the *Medi-Cal Financial Summary*:»

«Table of Form Sections and Descriptions»

Section	Description
A	Payment Summary. This section contains the relevant provider detail, payment detail and the summary for the checkwrite as well as a year-to-date summary. This section details how the warrant amount was derived and includes balances from accounts in the Accounts Receivable (A/R) system. See “Glossary” on a following page in this section.
B	Non Cash Reconciliation Items. This section includes 1099 and returned warrant adjustments, including the 1099 year-to-date totals in the lower right corner of the summary box
C	ACS Sequence Number. This eight-digit number, “XXXXXXXX” appears right above the summary. The same sequence number appears on the warrant just above the provider number. This number is the control number used by the FI on the payment tape that is sent to the SCO for processing.
D	Warrant and Warrant Summary. The actual warrant number is determined by the SCO and is printed as usual. An ACS SEQUENCE NO. does not appear on a No Pay Advice.
E	A/R Payments. A letter will be sent from the FI that provides specific A/R transaction information and an explanation of payment. For more information, please call the Telephone Services Center (TSC) at 1-800-541-5555.

Warrant Amount

If the net result of (1) Medicare approves and adjustments, (2) Medi-Cal approves and adjustments, (3) A/R applied-negative A/R transactions, and A/R payments-positive A/R transactions is negative, this equals the Negative Balance Created. If the net result of (1), (2) and (3) is positive, this is the warrant amount that will be paid to the provider for the current cycle.

Two types of claim records are not reported on the RAD and do not appear in the *Medi-Cal Financial Summary* section. Credit and void adjustments with reason code 598 or 599 represent returned checks. They impact the yearly accumulation of money paid but not the amount to be paid in this cycle. These adjustments appear in the “Checks and Returned Warrants” section of the Financial Summary.

Provider personal check adjustments with reason code 526 or 802 represent payments sent in by the provider. These adjustments also affect the yearly accumulation of money paid but not the amount of payment for the current cycle. They appear in the “1099 Adjustment for Personal Check Refund” of the Financial Summary.

«Table of Numbered Items on the Medi-Cal Financial Summary»

Item	Description
1	Prior YTD. The prior year-to-date amounts for this provider.
2	Payment Summary. Section heading.
3	Medi-Cal Adjustments. Medi-Cal adjustment amounts (columns c and d only).
4	Medi-Cal Approves. Medi-Cal approved amounts (columns a and b only).
5	Medicare Adjustments. Medicare adjustment amounts (columns c and d only).
6	Medicare Approves. Medicare approved amounts (columns a and b only).
7	Subtotal. Sum of items 3+4+5+6 for each column amount (such as “Allowed Amount” or “Other Payment”).
8	A/R Payments. Positive A/R amounts applied to this checkwrite.
9	A/R Applied (-). Negative A/R amounts applied to this checkwrite.
10	Negative Balance Created. Amount owed by the provider due to negative adjustment transactions that exceed the total claims approved for payment. The prior week’s negative balance is converted to an “A/R Applied” entry. Sum of items 3+4+5+6+8+9 (“Amount Paid” column only).
11	Warrant Amount. Amount owed to the provider when total claims approved exceed the negative adjustment transactions. Sum of items 3+4+5+6+8+9 (“Amount Paid” column only). If this amount is present, the “Negative Balance Created” will be blank.
12	Calendar Yr. to Date. The current year-to-date amounts for this provider. These amounts will appear on the next <i>Medi-Cal Financial Summary</i> in the “Prior YTD” column.

Glossary

The following terms apply to the *Medi-Cal Financial Summary*:

- **Account Number.** Provider's checking or savings account number.
- **Bank Transit.** Provider's bank routing number.
- **ACS Sequence Number.** ACS number assigned to the warrant or EFT. Actual warrant numbers are assigned by the State Controller's Office (SCO). EFTs will not be assigned a warrant number.
- **Payment Amount.** Amount paid.
- **Payment Date.** SCO warrant date.
- **Payment Number.** Warrant number assigned by the SCO. EFT payments will not have a warrant number.
- **Provider Name.** Name of the provider.
- **Provider Number.** Provider identification.
- **Remittance Advice Pages.** Number of RAD pages for this particular provider.
 - Allowed (+) Amount. Total payable amount of this provider.
 - Other (-) Payment. Negative amounts from Share of Cost and Other Coverage, including Medicare payments.
 - Adjustment Info (-) Debit. Negative amount from adjustments and A/R transactions applied this checkwrite.
 - Adjustment Info (+) Credit. Positive amount from adjustments and A/R transactions applied this checkwrite.
- **Amount Paid.** Total payment amount. Sum of a+b+c+d.

<<Legend>>

<<Symbols used in the document above are explained in the following table.>>

Symbol	Description
<<	This is a change mark symbol. It is used to indicate where on the page the most recent change begins.
>>	This is a change mark symbol. It is used to indicate where on the page the most recent change ends.