Remittance Advice Details (RAD) and Reconciling Medi-Cal Payment

Providers receiving Remittance Advice Details (RADs) should reconcile each claim transaction with their records. Claim payments should be posted to a recipient’s ledger card. Denies should be reviewed to assure they are correct. Suspended claims currently being processed will be referenced on the RAD with a “suspend” message code. Negative adjustments should be posted as debits to a recipient’s ledger card. Accounts Receivable (A/R) transactions should be posted to the appropriate suspense account. It is important that each claim being reported, or not reported, be accounted for and the necessary follow-up performed and that all the rules governing timeliness be followed.

Missing Warrants

If a warrant is known to be stolen, contact the California MMIS Fiscal Intermediary by calling the Telephone Service Center (TSC) number 1-800-541-5555 and furnish the representative with all the known details. Send a written notification that a warrant was stolen to:

Attn: Cash Control Unit
California MMIS Fiscal Intermediary
P.O. Box 13029
Sacramento, CA 95813-4029

After written notification is received, an STD Form 435 (Request for Duplicate Controller’s Warrant) is released to the State Controller’s Office (SCO). The SCO verifies the warrant has not been presented for payment, issues an order to the State Treasurer’s Office to place a stop payment on the warrant, and sends Form 435 to the provider for the provider’s certification. After the form is returned to the SCO, a replacement warrant is issued and released by the SCO’s office. Once a “stop” is put on a warrant, it will not be honored if presented for payment.

If a warrant is presumed to be missing, wait 10 calendar days from the release date before making an inquiry. After 10 days, submit a written notification of a missing warrant and include any information regarding the warrant. Send the notification to the Medi-Cal address above. Include a request that the warrant be reissued.

A search for the warrant will be conducted and an STD 435 will be initiated if appropriate. If a search shows the missing warrant was canceled, the SCO sends the FI a copy of the front and back of the warrant, and the FI forwards this information to the provider.

Returned Warrants

A warrant may be returned by a provider, by the Postal Service as being undeliverable or occasionally by the SCO.
Undeliverable

Undeliverable warrants are researched for a correct address. If a warrant remains undeliverable, it is redeposited into the Health Care Fund. The claim lines appearing on the redeposited warrant are adjusted with a 598 “void” to correct history and to reduce the 1099 earnings amount.

If a warrant was redeposited inadvertently and the claim lines voided, a provider must rebill to receive payment if submission is within timeliness guidelines. However, if a claim is beyond submission timeliness, a first-level appeal must be submitted with the appropriate documentation. If the claim lines were not voided or if the provider sends a written request, the monies are reissued through an Accounts Receivable (A/R) transaction that will appear on a future RAD.

Incorrect Payment

If a warrant is returned by a provider because of an incorrect payment, the warrant is redeposited into the Health Care Deposit Fund. The incorrect payment is adjusted with a 598 void to correct history and to reduce the provider’s 1099 earnings amount. If there are any correct claims that should be paid to the provider, an A/R transaction will appear on a future RAD.

A 598 void adjustment does not appear on the RAD. The 1099 adjustment is reflected in the “Calendar Yr. To Date” row of the “Amount Paid” column on the Medi-Cal Financial Summary.
Misdirected RADs and Warrants

The SCO inserts RADs and warrants for the same provider in one envelope, which occasionally results in mailing a RAD and warrant to an incorrect provider. If a misdirected warrant is inadvertently cashed, providers may forward a personal check and the RAD to the correct provider. If preferred, providers may issue a personal check made payable to the Department of Health Care Services and forward it with the RAD to:

   Attn: Returned Warrant Unit  
   State Controller’s Office  
   P.O. Box 942850  
   Sacramento, CA  94250-0001

Retaining RADs

RADs issued with each checkwrite from the SCO are the only record of Medi-Cal claims adjudication sent to providers. Attach photocopies when submitting Claims Inquiry Forms (CIFs) or correspondence to the FI. Retain original RADs in permanent files for future reference.

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. For more information, refer to “Online PDF RADs” in the Remittance Advice Details (RAD) and Medi-Cal Financial Summary section of this manual.
<Legend>

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

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