Remittance Advice Details (RAD)

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The *Remittance Advice Details* (RAD) is designed for line-by-line reconciliation of transactions. Reconciliation of the RAD to providers' records will help determine which claims are paid, denied or not yet adjudicated. Medi-Cal-only claims appear first, followed by Medicare/Medi-Cal crossover claims in this sequence: adjustments, approves, denies, suspends and Accounts Receivable (A/R) transactions. Refer to the *Remittance Advice Details* (RAD) examples section in this manual for an explanation of form items and completed sample RADs.

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 in the Part 1 manual.

Adjustments

An adjustment reprocesses a claim with corrected information and appears on the RAD as two lines. Line one shows the new Claim Control Number (CCN) and the amount the claim should have paid. Line two shows the original CCN and reverses the original payments.

In *Figure 3* of the *Remittance Advice Details (RAD)* examples section of this manual, a 572 adjustment is being processed to recover the original payment of $8 and to repay the claim at $6. The net transaction amount is a recoupment of $2. Adjustment code 572 appears in the RAD message column indicating: "Provider initiated – Adjustment as a result of a prior overpayment."

Two-Line Entry Exception

An exception to the two-line entry for an adjustment occurs when a warrant is returned by the provider because of an incorrect payment and the provider is requesting reimbursement for the correct claims. A 599 adjustment is processed for the correct claims and appears on the RAD as a one-line adjustment. The negative side of the adjustment does not appear on the RAD because the money has already been returned.

Voids

A void adjustment appears on the RAD as a single line and has negative (-) amounts. A void recovers the original payment without reprocessing the claim for payment.

CIFs for POS and RTIP Claims

Pharmacy providers should not submit a hard copy *Claims Inquiry Form* (CIF) to reverse a claim originally submitted over the Point of Service (POS) network or through the Real-Time Internet Pharmacy (RTIP) claim submission system unless they are returning an overpayment. Instead, they should reverse the claim over the POS network or through the RTIP system, then resubmit a corrected claim if necessary. For information about reversing claims, providers may call the POS/Internet Help Desk at 1-800-427-1295.

Approves

Approved claims may show:

- Claims reimbursed as submitted
- Claims reduced for payment
- Claims previously denied but paid as a result of a provider-initiated CIF or due to resubmitted claims

In *Figure 4* of the *Remittance Advice Details (RAD)* examples section of this manual, reason code 401 appears in the RAD message column indicating: "Payment adjusted to maximum allowable."

Denies

Denied claims may occur if any one of the following conditions exist:

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

Services denied on the RAD appear on one line. A denied claim may be reconsidered for payment if errors were made in submitting or processing the original claim.

In *Figure 5* of the *Remittance Advice Details (RAD)* examples section of this manual, denial reason code 009 appears in the RAD message column indicating: "This service is not a covered benefit of the Medi-Cal program."

CIF Process

The denied message on the RAD is the only record of a claim denial. If a provider feels a claim has been inappropriately denied, the claim may be reconsidered for payment. The provider must request reconsideration through the claims inquiry process, unless the claim is denied due to a National Correct Coding Initiative (NCCI) edit. Then the claim must be appealed. The CIF must be properly completed and must include necessary corrected or additional claim information (such as proof of Medicare non-eligibility or an approved *Treatment Authorization Request* (TAR) that was not submitted with the original claim and resulted in a denial. To expedite the resubmittal process, attach a clear photocopy of the corrected original claim or retype the claim. For complete CIF instructions, refer to the *CIF Completion* section in this manual.

Denied claims resubmitted and approved for payment by the FI Claims Research Department will appear on the RAD under the heading "Approve." These claims will show a new Claim Control Number.

Suspends

Claims requiring manual review will temporarily suspend and appear on the RAD with a "suspend" message code. After a suspended claim has been in the computer system for more than 30 days, it will appear on the RAD until payment or denial. Suspended claims are in the processing cycle and will be adjudicated. Providers should not submit *Claims Inquiry Forms* (CIFs) for claims listed as "suspends" on the most recent RAD.

Types of Claim Suspensions

In some instances, claims suspend due to conditions that cannot be resolved by additional input from the provider (such as, eligibility mismatches, claims requiring manual pricing). These conditions will be resolved by the FI.

Accounts Receivable Transactions

The RAD may also reflect Accounts Receivable (A/R) transactions when it is necessary to recover funds from a provider or to pay funds to a provider.

The 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 the 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."

In *Figure 7* of the *Remittance Advice Details (RAD)* examples section of this manual, the A/R transaction appears as:

730 Amount withheld as a result of claims overpayment.

No Payment Advice

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 is issued instead of a warrant.

‹‹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.