
«Medicare/Medi-Cal Crossover Claims: CMS-1500 Pricing Examples for Pharmacy»

Page updated: November 2023

This section illustrates Medi-Cal payment examples of Medicare/Medi-Cal claims for pharmacy services billed on the CMS-1500 claim and correlating *Remittance Advice Details* (RAD) examples. For pharmacy services billed on the CMS-1500 claim, refer to the *Physician-Administered Drugs – NDC: CMS-1500 Billing Instructions* section in this manual.

Welfare and Institutions Code, Section 14109.5, limits Medi-Cal's payment of the deductible and coinsurance to an amount which, when combined with the Medicare payment, should not exceed the amount paid by Medi-Cal for similar services. This limit is applied to the sum total of the claim. Therefore, the combined Medicare/Medi-Cal payment for all services of a claim may not exceed the amount allowed by Medi-Cal for all services of the claim. For examples of Medi-Cal payments, see "Crossover Claim Payment Examples" on a following page in this section.

Payment on Crossover Claims

Medicare deductible and coinsurance amounts that are hard copy billed to the California MMIS Fiscal Intermediary are reimbursed in the same manner as if they were automatically transferred from the Part B carrier when billing using the CMS-1500 claim. Medi-Cal payment is based upon the Medi-Cal allowable amount, minus any payment a provider has received from Medicare and from private insurance and beneficiary Share of Cost.

Payment on Medicare Non-Covered, Exhausted or Denied Services

Medicare non-covered, exhausted (where Medicare service limitations apply) or denied services billed directly by a provider to Medi-Cal as straight Medi-Cal claims are paid based upon the Medi-Cal allowable amount.

Remittance Advice Details (RAD)

The Medi-Cal *Remittance Advice Details* (RAD) reflects each crossover service processed. In most cases, the procedure code listed on the RAD is the Medi-Cal procedure code. If Medi-Cal is unable to correlate the Medicare procedure code, the Medicare procedure code is reflected on the RAD. In addition, the Medicare Allowed, Medi-Cal Allowed, Computed MCR AMT (Medicare payment) and Medi-Cal Paid amounts are shown. If Medi-Cal reduces or denies payment consideration for total claim services, an appropriate RAD message will be displayed.

«Claims automatically submitted to Medi-Cal by a Part B carrier that result in a zero Medi-Cal payment are not reflected on the *Remittance Advice Details* (RAD). However, automatic crossover claims with one or more procedures processed as a 444 cutback are reflected on the RAD. This alerts providers that they may rebill the 444 cutback procedures.†»

RAD Messages

The most common RAD codes and messages relating to crossovers are listed below (refer to the RAD codes and messages sections in the Part 1 manual for a complete list):

RAD Messages Table

Code	Message
002*	The recipient is not eligible for benefits under the Medi-Cal program or other special programs.
371*	Line detail crossover submitted incorrectly on Medi-Cal claim; submit only copy of Medicare claim and EOMB to: Crossover Unit P.O. Box 15700 Sacramento, CA 95852-1700
372	This crossover must be billed with line-specific information. Resubmit with line item information.

RAD Messages Table (continued)

Code	Message
395	This is a Medicare non-covered benefit. Rebill Medi-Cal on an original claim form except for aid code "80," QMB (Qualified Medicare Beneficiary Program) recipients.
442	Medicare payment meets or exceeds Medi-Cal maximum reimbursement.
443	Medi-Cal payment may not exceed the maximum amount allowed by Medi-Cal.
444†	For non-physician claims, see Charpentier billing instructions in the provider manual. Medi-Cal automated system payment does not exceed the Medicare allowed amount.

Crossover Claim Payment Examples

The dollar amounts in the following payment examples are for illustration only and do not necessarily represent Medi-Cal or Medicare allowed amounts. Payment of crossover services is made in accordance with *Welfare and Institutions Code*, Section 14109.5.

Medi-Cal payment examples are:

- *Figures 1a and 1b.* 395 Medicare Non-Covered Benefit.
- *Figures 2a and 2b.* 442 Cutback (Zero Pay).
- *Figures 3a and 3b.* 443 Cutback With Deductible.
- *Figures 4a and 4b.* 443 Cutback With No Deductible.
- *Figures 5a and 5b.* 444 Cutback (Charpentier Rebill).
- *Figures 6a and 6b.* Medicare Allowed Amount Adopted by Medi-Cal.

395 Medicare Non-Covered Benefit

PROC CODE	PROVIDER BILLED	MEDICARE ALLOWED	DEDUCT	COMPUTED MEDICARE AMOUNT	COINSUR	BILLED TO MEDI-CAL	MEDI-CAL ALLOWED	COMPUTED MEDI-CAL AMOUNT	DEDUCT PLUS COINSUR	PAID AMOUNT	RAD CODE
				"Medicare Allowed" minus "Deduct" X 80%	"Medicare Allowed" minus "Deduct" minus "Computed Medicare Amount"	"Deduct" plus "Coinsur"	Medi-Cal price on file or "Medicare Allowed", whichever is less. ("Medicare Allowed" is adopted and shown on the RAD if no Medi-Cal price is on file.)	"Medi-Cal Allowed" minus "Computed Medicare Amount"	"Deduct" plus "Coinsur"	The lesser of "Computed Medi-Cal Amount" or "Deduct plus Coinsur" (negative = 0)	
E0155	65.00	55.18	0.00	44.14	11.04	11.04	51.18				
E0273	50.00	0.00	0.00	0.00	0.00	0.00	0.00				0395
Claim Totals	115.00	55.18	0.00	44.14	11.04	11.04	51.18	11.04	11.04	11.04	

Figure 1a: Sample Pricing for RAD Code 395 (Medicare Non-Covered Benefit).

CA MEDI-CAL Remittance Advice Details										TO: CALIFORNIA PHARMACY 1000 ELM STREET ANYTOWN, CA 95422-8720		
REFER TO PROVIDER MANUAL FOR DEFINITION OF RAD CODES												
PROVIDER NUMBER 0123456789	CLAIM TYPE MCARE CROSSOVER		WARRANT NO 39248028		ACS SEQ. NO 20000617		DATE 12/03/07		PAGE: 1 OF 1 PAGES			
RECIPIENT NAME	RECIPIENT MEDICAL I.D. NO.	CLAIM CONTROL NUMBER	SERVICE DATES FROM TO MMDDYY MMDDYY		ACCOM. PROC. CODE	PATIE. ACCOUNT NUMBER	DAYS	MEDICARE ALLOWED	MEDI-CAL ALLOWED	COMPUTED MEDICARE AMOUNT	PAID AMOUNT	RAD CODE
DOE	90000000A90015	4088852123000	092807 092807	092807 092807	E0155 E0273		0001 0001	55.18	55.18			0395
BLOOD DEDUCT	TOTAL 0.00	4088852123000 0.00	092807 COINS	092807 9.04	CUTBACK			55.18 0.00	55.18	44.14	11.04	
EXPLANATION OF DENIAL/ADJUSTMENT CODES												
0395	THIS IS A MEDICARE NON-COVERED BENEFIT. REBILL MEDI-CAL ON AN ORIGINAL CLAIM FORM, EXCEPT AID CODE 80 - QMB RECIPIENTS.											

Figure 1b: RAD Code 395 Example.

The Medi-Cal payment on this example is \$11.04, which is the lesser of the computed Medi-Cal amount and the deductible plus coinsurance.

Line 2 of this example has a 395 RAD code. This is a Medicare non-covered benefit. To seek Medi-Cal reimbursement for this service, this claim line must be billed separately as a straight Medi-Cal claim. All 395 service lines on a single crossover claim should be billed together as a straight Medi-Cal claim.

Do not rebill any 395 service lines for Qualified Medicare Beneficiary (QMB) recipients, who are not eligible for Medi-Cal.

442 Cutback (Zero Pay)

PROC CODE	PROVIDER BILLED	MEDICARE ALLOWED	DEDUCT	COMPUTED MEDICARE AMOUNT	COINSUR	BILLED TO MEDI-CAL	MEDI-CAL ALLOWED	COMPUTED MEDI-CAL AMOUNT	DEDUCT PLUS COINSUR	PAID AMOUNT	RAD CODE
				"Medicare Allowed" minus "Deduct" X 80%	"Medicare Allowed" minus "Deduct" minus "Computed Medicare Amount"	"Deduct" plus "Coinsur"	Medi-Cal price on file or "Medicare Allowed", whichever is less. ("Medicare Allowed" is adopted and shown on the RAD if no Medi-Cal price is on file.)	"Medi-Cal Allowed" minus "Computed Medicare Amount"	"Deduct" plus "Coinsur"	The lesser of "Computed Medi-Cal Amount" or "Deduct plus Coinsur" (negative = 0)	
L5668LT	300.00	280.44	0.00	224.35	56.09	56.09	117.60				
L8400LT	15.00	14.57	0.00	11.66	2.91	2.91	11.88				
L8420LT	75.00	72.04	0.00	57.63	14.41	14.41	47.16				
L8470LT	20.00	18.00	0.00	14.40	3.60	3.60	18.00				444
Claim Totals	410.00	385.05	0.00	308.04	77.01	77.01	194.64	-113.40	77.01	0.00	442

Figure 2a: Sample Pricing for 442 Cutback (Zero Pay).

CA MEDI-CAL										TO: CAL PHARMACY	
Remittance Advice										1000 OAK STREET	
Details										ANYTOWN, CA 93332-6720	
REFER TO PROVIDER MANUAL FOR DEFINITION OF RAD CODES											
PROVIDER NUMBER	CLAIM TYPE	WARRANT NO	ACS SEQ. NO	DATE	PAGE: 1 OF 1 PAGES						
0123456789	MCARE CROSSOVER	39248026	20000617	12/03/07							
RECIPIENT NAME	RECIPIENT MEDI-CAL I.D. NO.	CLAIM CONTROL NUMBER	SERVICE DATES FROM TO	ACCOM. PROC. CODE	PATIENT ACCOUNT NUMBER	DAYS	MEDICARE ALLOWED	MEDI-CAL ALLOWED	COMPUTED MEDICARE AMOUNT	PAID AMOUNT	RAD CODE
APPROVES (RECONCILE TO FINANCIAL SUMMARY)											
DOE	90000000A00106	4069852123000	102507 102507	L5668LT		0001	280.44	117.60			
			102507 102507	L8400LT		0001	14.57	11.88			
			102507 102507	L8420LT		0001	72.04	47.16			
			102507 102507	L8470LT		0001	18.00	18.00			444
	TOTAL	4069852123000	102507 102507				385.05	194.64	194.64		442
BLOOD DEDUCT	0.00	DEDUCT	0.00	COINS	77.01	CUTBACK	77.01	SGC	0.00		
EXPLANATION OF DENIAL/ADJUSTMENT CODES											
442	MEDICARE PAYMENT	MEETS OR EXCEEDS	MEDI-CAL	MAXIMUM REIMBURSEMENT.							

Figure 2b: RAD Code 442 Example.

In this example, the amount paid by Medicare exceeded the Medi-Cal maximum reimbursement, resulting in a zero Medi-Cal payment.

«Typically, an automatic crossover claim resulting in a zero Medi-Cal payment will not be reflected on the RAD. However, if one or more procedures process as a 444 cutback, the automatic zero Medi-Cal payment crossover claim will be reflected on the RAD. This alerts providers that they may rebill the 444 cutback procedures (excluding physician services).†»

443 Cutback With Deductible

PROC CODE	PROVIDER BILLED	MEDICARE ALLOWED	DEDUCT	COMPUTED MEDICARE AMOUNT	COINSUR	BILLED TO MEDI-CAL	MEDI-CAL ALLOWED	COMPUTED MEDI-CAL AMOUNT	DEDUCT PLUS COINSUR	PAID AMOUNT	RAD CODE
				"Medicare Allowed" minus "Deduct" X 80%	"Medicare Allowed" minus "Deduct" minus "Computed Medicare Amount"	"Deduct" plus "Coinsur"	Medi-Cal price on file or "Medicare Allowed", whichever is less. ("Medicare Allowed" is adopted and shown on the RAD if no Medi-Cal price is on file.)	"Medi-Cal Allowed" minus "Computed Medicare Amount"	"Deduct" plus "Coinsur"	The lesser of "Computed Medicare Amount" or "Deduct plus Coinsur" (negative = 0)	
E0880V7	50.00	34.71	34.71	0.00	0.00	34.71	34.35				
Claim Totals	50.00	34.71	34.71	0.00	0.00	34.71	34.35	34.35	34.71	34.35	443

Figure 3a: Sample Pricing for 443 Cutback (With Deductible).

CA MEDI-CAL Remittance Advice Details										TO: PHARMACY HEALTH CARE 1000 SMITH STREET ANYTOWN, CA 98888-4444		
PROVIDER NUMBER	CLAIM TYPE	WARRANT NO	ACS SEQ. NO	DATE	PAGE: 1 OF 1 PAGES							
0123456789	MCARE CROSSOVER	39248028	20000617	12/03/07								
RECIPIENT NAME	RECIPIENT MEDI-CAL I.D. NO.	CLAIM CONTROL NUMBER	SERVICE DATES FROM MMDDYY TO MMDDYY	ACCOM/ PROC. CODE	PATIENT ACCOUNT NUMBER	DAYS	MEDICARE ALLOWED	MEDI-CAL ALLOWED	COMPUTED MEDICARE AMOUNT	PAID AMOUNT	RAD CODE	
APPROVES DOE	RECONCILE TO 90000000A90016	FINANCIAL SUMMARY 5207859082800	092807 092807	E0880V7		0001	34.71	34.35				
BLOOD DEDUCT	TOTAL 0.00	DEDUCT 34.71	092807 COINS	092807 00 00	CUTBACK	0 35	34.71 0 00	34.35 0 00		34.35	443	
EXPLANATION OF DENIAL/ADJUSTMENT CODES												
443	MEDI-CAL PAYMENT MAY NOT EXCEED THE MAXIMUM AMOUNT ALLOWED BY MEDI-CAL											

Figure 3b: RAD Code 443 Example.

In this example, the deductible and coinsurance amount (\$34.71) exceeds the Medi-Cal maximum amount (\$34.35), resulting in a cutback.

443 Cutback With No Deductible

PROC CODE	PROVIDER BILLED	MEDICARE ALLOWED	DEDUCT	COMPUTED MEDICARE AMOUNT	COINSUR	BILLED TO MEDI-CAL	MEDI-CAL ALLOWED	COMPUTED MEDI-CAL AMOUNT	DEDUCT PLUS COINSUR	PAID AMOUNT	RAD CODE
E0135V7	100.00	75.52	0.00	"Medicare Allowed" minus "Deduct" X 80%	15.10	15.10	58.73				
K0001V6	75.00	49.20	0.00		9.84	9.84	49.20				
Claim Totals	175.00	124.72	0.00	99.78	24.94	24.94	107.93	8.15	24.94	8.15	443

Figure 4a: Sample Pricing for 443 Cutback (With No Deductible).

CA MEDI-CAL Remittance Advice Details										TO: SMITH'S PHARMACY P.O. BOX 400 ANYTOWN, CA 90108-3468		
REFER TO PROVIDER MANUAL FOR DEFINITION OF RAD CODES												
PROVIDER NUMBER		CLAIM TYPE		WARRANT NO		ACS SEQ. NO		DATE		PAGE: 5 OF 6 PAGES		
0123456789		MCARE CROSSOVER		39248028		020441377		12/03/07				
RECIPIENT NAME	RECIPIENT MEDI-CAL I.D. NO.	CLAIM CONTROL NUMBER	SERVICE DATES		ACCOM. PROC. CODE	PATIENT ACCOUNT NUMBER	DAYS	MEDICARE ALLOWED	MEDI-CAL ALLOWED	COMPUTED MEDICARE AMOUNT	PAID AMOUNT	RAD CODE
DOE	9000000090015	5254850415300	092807	092807	E0135V7		0001	75.52	58.73			
			092807	092807	K0001V6		0001	49.20	49.20			
BLOOD DEDUCT	0.00	DEDUCT 0.00	092807	092807	CUTBACK	18 79	SOC	124.72	107.93	99.78	8.15	443
			COINS		24.94				SALES TX INCL			
EXPLANATION OF DENIAL/ADJUSTMENT CODES												
443 MEDI-CAL PAYMENT MAY NOT EXCEED THE MAXIMUM AMOUNT ALLOWED BY MEDI-CAL.												

Figure 4b: RAD Code 443 Example.

The Medi-Cal payment on this claim is \$8.15, which is the lesser of the computed Medi-Cal amount and the deductible and coinsurance.

444 Cutback (Charpentier Rebill)

PROC CODE	PROVIDER BILLED	MEDICARE ALLOWED	DEDUCT	COMPUTED MEDICARE AMOUNT	COINSUR	BILLED TO MEDI-CAL	MEDI-CAL ALLOWED	COMPUTED MEDI-CAL AMOUNT	DEDUCT PLUS COINSUR	PAID AMOUNT	RAD CODE
				"Medicare Allowed" minus "Deduct" X 80%	"Medicare Allowed" minus "Deduct" minus "Computed Medicare Amount"	"Deduct" plus "Coinsur"	Medi-Cal price on file or "Medicare Allowed", whichever is less. ("Medicare Allowed" is adopted and shown on the RAD if no Medi-Cal price is on file.)	"Medi-Cal Allowed" minus "Computed Medicare Amount"	"Deduct" plus "Coinsur"	The lesser of "Computed Medicare Amount" or "Deduct plus Coinsur" (negative = 0)	
E0919V6	25.00	11.91	0.00	9.53	2.38	2.38	11.91				444
Claim Totals	25.00	11.91	0.00	9.53	2.38	2.38	11.91	25.07	25.07	25.07	

Figure 5a: Sample Pricing for 444 Cutback (Charpentier Rebill).

CA MEDI-CAL Remittance Advice Details										TO: PHARMCO 2255 F STREET ANYTOWN, CA 92345-3000		
REFER TO PROVIDER MANUAL FOR DEFINITION OF RAD CODES												
PROVIDER NUMBER 0123456789		CLAIM TYPE MCARE CROSSOVER		WARRANT NO 39248028		ACS SEQ. NO 020228134		DATE 10/03/07		PAGE: 7 OF 8 PAGES		
RECIPIENT NAME	RECIPIENT MEDI-CAL I.D. NO.	CLAIM CONTROL NUMBER	SERVICE DATES FROM TO MM/DD YY MM/DD YY		ACCOM. PROC. CODE	PATIENT ACCOUNT NUMBER	DAYS	MEDICARE ALLOWED	MEDI-CAL ALLOWED	COMPUTED MEDICARE AMOUNT	PAID AMOUNT	RAD CODE
DOE	90000000A90015	5200858954500	092807	092807	E0910V6		0001	11.91	11.91			444
BLOOD DEDUCT	TOTAL 0.00	5200858954500 DEDUCT 0.00	092807 COINS	092807 25.07	CUTBACK	0 00	SOC	125.36 0 00	125.36	100.29-	25.07	
EXPLANATION OF DENIAL/ADJUSTMENT CODES												
444	FOR NON-PHYSICIAN CLAIMS, SEE CHARPENTIER BILLING INSTRUCTION IN THE PROVIDER MANUAL. (MEDI-CAL/MEDICARE REIMBURSEMENT)											

Figure 5b: RAD Code 444 Example.

Providers may rebill Medi-Cal for supplemental payment for Medicare/Medi-Cal Part B services, excluding physician services. This supplemental payment applies to crossover claims when Medi-Cal's allowed rates or quantity limitations exceed the Medicare allowed amount.

Medicare Allowed Amount Adopted by Medi-Cal

PROC CODE	PROVIDER BILLED	MEDICARE ALLOWED	DEDUCT	COMPUTED MEDICARE AMOUNT	COINSUR	BILLED TO MEDI-CAL	MEDI-CAL ALLOWED	COMPUTED MEDI-CAL AMOUNT	DEDUCT PLUS COINSUR	PAID AMOUNT	RAD CODE
				"Medicare Allowed" minus "Deduct" X 80%	"Medicare Allowed" minus "Deduct" minus "Computed Medicare Amount"	"Deduct" plus "Coinsur"	Medi-Cal price on file or "Medicare Allowed", whichever is less. ("Medicare Allowed" is adopted and shown on the RAD if no Medi-Cal price is on file.)	"Medi-Cal Allowed" minus "Computed Medicare Amount"	"Deduct" plus "Coinsur"	The lesser of "Computed Medi-Cal Amount" or "Deduct plus Coinsur" (negative = 0)	
K0005	50.00	36.00	0.00	28.80	7.20	7.20	36.00				
K0195	10.00	6.70	0.00	5.36	1.34	1.34	6.70				
Claim Totals	60.00	42.70	0.00	34.16	8.54	8.54	42.70	8.54	8.54	8.54	

Figure 6a: Sample Pricing Example for Medicare Allowed Amount Adopted by Medi-Cal.

CA MEDI-CAL Remittance Advice Details										TO: PRIMEDIA PHARMACY P.O. BOX 9876 ANYTOWN, CA 94400-9876	
REFER TO PROVIDER MANUAL FOR DEFINITION OF RAD CODES											
PROVIDER NUMBER	CLAIM TYPE	WARRANT NO	ACS SEQ. NO	DATE	PAGE: 1 OF 1 PAGES						
0123456789	MCARE CROSSOVER	39248026	080138835	10/03/07							
RECIPIENT NAME	RECIPIENT MEDI-CAL I.D. NO.	CLAIM CONTROL NUMBER	SERVICE DATES FROM TO	ACCOM PROC. CODE	PATIENT ACCOUNT NUMBER	DAYS	MEDICARE ALLOWED	MEDI-CAL ALLOWED	COMPUTED MEDICARE AMOUNT	PAID AMOUNT	RAD CODE
DOE	90000000A90015	5191880787200	092807 092807	K0005 K0195		0001 0001	36.00 6.70	36.00 6.70			
BLOOD DEDUCT	TOTAL 0.00	5191880787200 DEDUCT 0.00	092807 COINS 8.54	CUTBACK	00 00	SOC	42.70 0 00	42.70	34.16-	8.54	
EXPLANATION OF DENIAL/ADJUSTMENT CODES											

Figure 6b: RAD Example of Medicare Allowed Amount Adopted by Medi-Cal.

Medi-Cal adopts Medicare’s allowed amount and shows that amount on the RAD when Medi-Cal has no price on file. The full deductible and/or coinsurance are paid.

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.
*	If denial code 002 or 371 is received from Medi-Cal, the claim should be resubmitted to the California MMIS Fiscal Intermediary Crossover Unit with a copy of the Medicare claim, the MRN/RA, and the RAD reflecting the denial. It is not necessary to submit a CIF under these crossover circumstances.
†	Refer to “Charpentier Rebilling” in the <i>Medicare/Medi-Cal Crossover Claims: CMS-1500</i> section of this manual.