Medi-Cal Rx

How to Resolve Claim Reject Code 78: Cost Exceeds Maximum

September 8, 2023

Purpose

The purpose of these scenarios is to help pharmacy providers and prescribers understand how the updated cost ceiling limits impact claim response and provide direction on what actions may be taken to resolve **Reject Code 78 – Cost Exceeds Maximum**.

What Is Changing?

- Claims submitted with a date of service (DOS) on or after September 22, 2023, are subject to new cost ceiling limits and will receive a Reject Code 78.
- A previously approved prior authorization (PA) request may not satisfy the cost ceiling limits. A PA request submission to address the new cost ceiling limits may be required.

Cost Ceiling Limits	
Drug/Product	**Cost Ceiling**
Over-the-counter (OTC)	$50/claim
Generic	$1,000/claim
Single and Multi-Source Brand	$4,000/claim
High-Cost Generics and Brands *	$14,000/claim
Claims over the Cost Ceiling Maximum for each category will trigger Reject Code 78 and will require a PA request.	

* Drugs/products in this category include generic and brand drugs not in the *Generic or Single and Multi-Source Brand* categories, where the claim threshold amount is equal to or greater than $14,000.

Reminders

- If a Reject Code 78 is received, pharmacy providers should confirm that the claim is submitted accurately and validate that quantity, billing units, and days' supply are correct.
- Prescribers and pharmacies should consider less costly alternatives, if clinically appropriate.
- Prescribers and pharmacies should consider contracted drugs/products that do not require a PA request, if clinically appropriate. For alternatives, providers can consult the Contract Drugs & Covered Products Lists page on the Medi-Cal Rx Web Portal.
- Medi-Cal Rx allows providers to dispense a 14-day emergency supply of medications to enable members to have immediate access to medically necessary drugs in emergency situations. See the *Emergency Fills* section in the *Medi-Cal Rx Provider Manual* for additional details.

Cost Ceiling Limit Scenarios

Claim Exceeds Cost Ceiling Limits (Reject Code 78)	Drug Requires PA (Reject Code 75)	Outcome	Actions
No	No	Claim will pay.	No action required.
No	Yes	Claim will not deny with Reject Code 78.	• If an active PA request approval for drug coverage (Reject Code 75) exists, no action is required. – If an active PA request approval for drug coverage (Reject Code 75) does not exist, submit a PA request via one of the approved Medi-Cal Rx PA request submission methods.
Yes	No	Claim will deny with Reject Code 78 with the following supplemental message, *"[$XX.00] Maximum Cost Exceeded. Call CSC (1-800-977-2273)*	• Submit a PA request via one of the approved Medi-Cal Rx PA request submission methods.

Claim Exceeds Cost Ceiling Limits (Reject Code 78)	Drug Requires PA (Reject Code 75)	Outcome	Actions
		for inquiries or submit a Prior Authorization."	
Yes	Yes	Claim will deny with Reject Code 78 and Reject Code 75.	• If a change in therapy is not appropriate, submit a PA request via one of the approved Medi-Cal Rx PA request submission methods.

Claims may reject for other reject codes. Refer to *Appendix D* of the *Medi-Cal Rx Provider Manual*. Pharmacy providers should determine next steps to address the reject code, which may include submission of a Medi-Cal Rx PA request.

Resources

Additional resources regarding cost ceiling can be found below:

- *30-Day Countdown: Reinstatement of Cost Ceiling and Prior Authorization for Enteral Nutrition and Specific Standard Therapeutic Classes*
- *Medi-Cal Rx Provider Manual*
- *Contract Drugs & Covered Products Lists*
- *Medi-Cal Rx Billing Tips*

Contact Information

You can call the CSC at 1-800-977-2273, which is available 24 hours a day, 7 days a week, 365 days per year.

For other questions, email Medi-Cal Rx Education & Outreach at MediCalRxEducationOutreach@primetherapeutics.com.