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Remittance Advice Remark Code and Claim Adjustment Reason Code Update

Key Words

MM4123, CR4123, R743CP, Remittance, Advice, Remark, Code, Claim, Adjustment, Reason

Provider Types Affected

Physicians, providers, and suppliers who submit claims to Medicare contractors (carriers, fiscal intermediaries (FIs), regional home health intermediaries (RHHIs), and durable medical equipment regional carriers (DMERCs)) for services

Key Points

- The effective date of the instruction is January 1, 2006.
- The implementation date is January 3, 2006.
- The complete list of X12N 835 Health Care Remittance Advice Remark Codes and X12N 835 Health Care Claim Adjustment Reason Codes, including changes made from March 1, 2005, through June 30, 2005, can be found at <http://www.wpc-edi.com/codes>.
- Two code sets—the reason and remark code sets—must be used to report payment adjustments in remittance advice transactions.
- The reason codes are also used in some coordination-of-benefits transactions.
- In September 2005, the Claim Adjustment Status Code Maintenance Committee approved a new reason code of 192 (Non-standard adjustment code from paper remittance advice), effective January 1, 2006.
- Reason Code 192 will be used by providers who must submit claims electronically under the Administrative Simplification Compliance Act when:
 - Medicare is not the primary payer; and
 - Providers have received paper remittance advice containing proprietary codes from the previous payer(s).

- The list at the end of the MLN Matters article, MM4123, summarizes the changes made from March 1, 2005, through June 30, 2005.
- For additional information about Remittance Advice, affected providers should refer to [*Understanding the Remittance Advice \(RA\): A Guide for Medicare Providers, Physicians, Suppliers, and Billers*](#) on the Centers for Medicare & Medicaid Services (CMS) website.

Important Links

<http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM4123.pdf>

Affected providers can find the official instruction issued to FIs/carriers/DMERCs/RHHs regarding this change at <http://www.cms.hhs.gov/Transmittals/downloads/R743CP.pdf> on the CMS website.