



Related MLN Matters Article #: MM5346

Date Posted: December 19, 2006

Related CR #: 5346

## *Remittance Advice Remark Code (RARC) and Claim Adjustment Reason Code (CARC) Update*

### Key Words

MM5346, CR5346, R1087CP, Remittance, Advice, Code, Claim, Adjustment, Lists, RARC, CARC

### Provider Types Affected

Physicians, providers, and suppliers who submit claims to Medicare contractors (Carriers, Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs), Part A/B Medicare Administrative Contractors (A/B MACs), Durable Medical Equipment Regional Carriers (DMERCs) and Durable Medical Equipment Medicare Administrative Contractors (DME MACs)) for services

### Key Points

- The effective date of the instruction is January 1, 2007.
- The implementation date is January 2, 2007.
- 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.
- The RARC list is maintained by the Centers for Medicare & Medicaid Services (CMS), and used by all payers; and additions, deactivations, and modifications to it may be initiated by both Medicare and non-Medicare entities.
- The health care CARC list is maintained by a national code maintenance committee that meets when X12 recognized code set maintainers gather for their trimester meetings to make decisions about additions, modifications, and retirement of existing reason codes.
- Both code lists are updated three times a year, and are posted at <http://wpc-edi.com/codes> on the Washington Publishing Company (WPC) website.
- The lists at the end of MLN Matters article MM5346 summarize the latest changes to these lists, as announced in Change Request (CR) 5346.
- CMS has also developed a new tool to help providers search for a specific category of code and that tool is at <http://www.cmsremarkcodes.info> on the CMS website.

- This website does not replace the WPC site; and should there be any discrepancies between this site and the WPC site, providers should consider the WPC site to be correct.
- There is a list of reason and remark code changes listed on pages 2-4 of MM5346 located at the link below.

### Important Links

The related MLN Matters article can be found at

<http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM5346.pdf> on the CMS website

The official instruction (CR5346) issued to Medicare FI, carrier or A/B MAC may be viewed by going to

<http://www.cms.hhs.gov/Transmittals/downloads/R1087CP.pdf> on the CMS website.

For additional information about Remittance Advice, providers may refer to *Understanding the Remittance Advice (RA): A Guide for Medicare Providers, Physicians, Suppliers, and Billers* at

[http://www.cms.hhs.gov/MLNProducts/downloads/RA\\_Guide\\_Full\\_03-22-06.pdf](http://www.cms.hhs.gov/MLNProducts/downloads/RA_Guide_Full_03-22-06.pdf) on the CMS website.

If providers have any questions, they may contact their Medicare contractor at their toll-free number, which may be found at <http://www.cms.hhs.gov/MLNProducts/downloads/CallCenterTollNumDirectory.zip> on the CMS website.