



## Remittance Advice Remark Code (RARC) and Claim Adjustment Reason Code (CARC) Update – JA6109

Related CR Release Date : July 25, 2008

Date Job Aid Revised: September 12, 2008

Effective Date: October 1, 2008

Implementation Date: October 6, 2008

<b>Key Words</b>	MM6109, CR6109, R1563CP, Remittance, Advice, Remark RA
<b>Contractors Affected</b>	<ul style="list-style-type: none"> <li>• Medicare Carriers</li> <li>• Fiscal intermediaries (FIs)</li> <li>• Regional Home Health Intermediaries (RHHIs)</li> <li>• Part A/B Medicare Administrative Contractors (A/B MACs)</li> <li>• Durable Medical Equipment Medicare Administrative Contractors (DME MACs)</li> </ul>
<b>Provider Types Affected</b>	Physicians, providers, and suppliers who submit claims to Medicare Carriers, FIs, RHHIs, A/B MACs, and DME MACs for services



Change Request (CR) 6109 announces the latest update of RARC used in electronic and paper remittance advice, and CARC used in electronic and paper remittance advice and coordination of benefits (COB) claim transactions. **These changes will be effective October 1, 2008.**

### Provider Needs to Know...

- Both the CARC and the RARC code lists are updated three times a year and are posted on the Washington Publishing Company (WPC) website at <http://www.wpc-edi.com/Codes> on the Internet. The tables on pages 3-5 of MLN Matters article MM6109 summarize the latest changes to these lists, as announced in CR6109.
- The Centers for Medicare & Medicaid Services (CMS) has also developed a tool to aid in the search for a specific category of RARC code. That tool is available at <http://www.cmsremarkcodes.info> on the Internet. This website does not replace the WPC site. If there are any discrepancies in what is posted at the CMS site and the WPC site, consider the WPC site to be correct.

Background

- 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 COB transactions.
  - The RARC list is maintained by CMS and used by all payers. Additions, deactivations, and modifications to it may be initiated by any health care organization.
  - The CARC list is maintained by a national code maintenance committee that meets when X12 meets for their trimester meetings to make decisions about additions, modifications, and retirement of existing reason codes.
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Operational  
Impact

The Medicare Remit Easy Print software will be updated to include the most current CARC and RARC lists available at <http://www.wpc-edi.com/codes> on the Internet.

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Reference  
Materials

The related MLN Matters article can be found at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM6109.pdf> on the CMS website.

The official instruction (CR6109) regarding this change may be viewed at <http://www.cms.hhs.gov/Transmittals/downloads/R1563CP.pdf> on the CMS website.

For additional information about Remittance Advice, providers should 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.

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