



Provider Inquiry Assistance

Remittance Advice Remark Code (RARC) and Claim Adjustment Reason Code (CARC) Update – JA6229

Related CR Release Date: November 14, 2008

Date Job Aid Revised: December 8, 2008

Effective Date: January 1, 2009

Implementation Date: January 5, 2009

Key Words	MM6229, CR6229, R1634CP, RARC, CARC
Contractors Affected	<ul style="list-style-type: none"> • Fiscal Intermediaries (FIs) • Part A/B Medicare Administrative Contractors (A/B MACs) • Medicare Carriers • Durable Medical Equipment MACs (DME MACs) • Regional Home Health Intermediaries (RHHIs)
Provider Types Affected	Physicians, providers, and suppliers submitting claims to Medicare Carriers, DME MACs, FIs, A/B MACs, and/or RHHIs for services provided to Medicare beneficiaries



Change Request (CR) 6229 updates RARCs and CARCs. Providers who use the Medicare Remit Easy Print software should note that Medicare will update that software as a result of implementing CR6229.

X12N 835 Health Care RARCs

Provider Needs to Know...

- New RARCs can be found in the table on pages 3 – 7 of MLN Matters article MM6229 at <http://cms.hhs.gov/MLNMattersArticles/downloads/MM6229.pdf> on the Centers for Medicare & Medicaid Services (CMS) website.
- Modified RARCs can be found in the table on page 7 of MM6229 at <http://cms.hhs.gov/MLNMattersArticles/downloads/MM6229.pdf> on the CMS website.

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- There are no newly deactivated codes with CR6229. Lists of all deactivated and scheduled to be deactivated RARCs are available at the Washington Publishing Company (WPC) website at <http://www.wpc-edi.com/codes> on the Internet.
 - CMS is the national maintainer of the RARC list. This code list is used by reference in the ASC X12 N transaction 835 (Health Care Claim Payment/Advice) Version 004010A1 *Implementation Guide*.
 - Under the Health Insurance Portability and Accountability Act (HIPAA), all payers, including Medicare, are required to use reason and remark codes approved by X12 recognized code set maintainers instead of proprietary codes to explain any adjustment in the claim payment.
 - CMS, as the X12 recognized maintainer of RARCs, receives requests from Medicare and non-Medicare payers for new codes and modification/deactivation of existing codes. Additions, deletions, and modifications to the code list resulting from non-Medicare requests may or may not impact Medicare.

Note: The complete list of remark codes is available at <http://www.wpc-edi.com/codes> on the Internet.

- Medicare contractors will use the latest approved and valid codes in the 835, corresponding Standard Paper Remittance advice, and coordination of benefits transactions.
- CMS has developed a new website to help navigate the RARC database more easily. A tool is provided to help search when the providers are looking for a specific category of codes. At this site, providers can find some other information that is also available from the WPC website.
- The website (<http://www.cmsremarkcodes.info>) is not replacing the WPC website as the official site where the most current RARC list resides. If there is any discrepancy, providers should always use the list posted at the WPC website.
- Some remark codes may only provide general information that may not necessarily supplement the specific explanation provided through a reason code and in some cases another/other remark code(s) for a monetary adjustment.
- Codes that are "Informational" will have "Alert" in the text to identify them as informational rather than explanatory codes. These "Informational" codes may be used without any CARC explaining a specific adjustment.

Example: The information code below is sent per state regulation, but does not explain any adjustment:

N369 Alert: "Although this claim has been processed, it is deficient according to state legislation/regulation."

- These informational codes are used only if specific information about adjudication (like appeal rights) needs to be communicated, but not as default codes, when a RARC is required with a CARC -16, 17, 96, 125, and A1.
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X12 N 835 Health Care CARCs

- A national code maintenance committee maintains the health care CARCs. The committee meets at the beginning of each X12 trimester meeting (January/February, June, and September/October) and makes decisions about additions, modifications, and retirement of existing reason codes. The updated list is posted three times a year around early November, March, and July.
- The list is available at <http://www.wpc-edi.com/codes> on the Internet.
- New, modified, and deactivated CARCs can be found in the table on pages 8 - 9 of MM6229 at <http://cms.hhs.gov/MLNMattersArticles/downloads/MM6229.pdf> on the CMS website.

Background

- HIPAA of 1996 instructs health plans to be able to conduct standard electronic transactions adopted under HIPAA using valid standard codes.
- Medicare policy states that CARCs are required in the remittance advice and coordination of benefits transactions.
- Medicare policy further states that appropriate RARCs that provide either supplemental explanation for a monetary adjustment or policy information are required in the remittance advice transaction.

**Operational
Impact**

N/A

**Reference
Materials**

The related MLN Matters article can be found at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM6229.pdf> on the CMS website.

The official instruction (CR6229) issued regarding this change may be found at <http://www.cms.hhs.gov/Transmittals/downloads/R1634CP.pdf> on the CMS website.