



Related MLN Matters Article #: MM5456

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Related CR #: 5456

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

Key Words

MM5456, CR5456, R1163CP, Remittance, Advice, Remark, Code, RARC, CARC, Adjustment

Provider Types Affected

Physicians, providers, and suppliers who submit claims to Medicare 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 April 1, 2007.
- The implementation date is April 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 (COB) transactions.
- MLN Matters article MM5456 is based on Change Request (CR) 5456, which announces the latest update of X12N 835 Health Care Remittance Advice Remark Codes and X12N 835 and 837 Health Care Claim Adjustment Reason Codes, effective April 2, 2007.
- The RARC list is maintained by the Centers for Medicare & Medicaid Services (CMS) and used by all payers. 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 meets 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>.
- A summary of the latest changes (as announced in CR5456) to these lists may be found at the end of MM5456 and are effective on and after April 1, 2007.

- 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, consider the WPC site to be correct.**

Important Links

The related MLN Matters article can be found at

<http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM5456.pdf> on the CMS website

The official instruction (CR5456) may be viewed by going to

<http://www.cms.hhs.gov/Transmittals/downloads/R1163CP.pdf> on the CMS website.

For additional information about Remittance Advice, 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 on the CMS website.