



## Instructions on How to Process Negative Claim Adjustment Reason Code (CARC) Adjustment Amounts when Certain CARCs Appear on Medicare Secondary Payer (MSP) Claims – JA6736

Related CR Release Date: February 5, 2010

Date Job Aid Revised: February 17, 2010

Effective Date: July 1, 2010

Implementation Date: July 6, 2009

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**Key Words**

MM6818, CR6818, R73MSP, Negative, CARC

**Contractors Affected**

- Medicare Carriers
- Fiscal Intermediaries (FIs)
- Regional Home Health Intermediaries (RHHIs)
- Medicare Administrative Contractors (MACs)
- Durable Medical Equipment MACs (DME MACs)

**Provider Types Affected**

Physicians, providers, and suppliers submitting claims to Medicare Carriers, FIs, RHHIs, MACs, and DME MACs for services provided to Medicare beneficiaries

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Change Request (CR) 6736 provides Medicare contractors with processing instructions for CARC adjustment amounts that are negative when certain CARCs appear on incoming MSP claims.

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Provider Needs to Know...	<ul style="list-style-type: none"> <li>• CR6736 instructs Medicare contractors not to add the CARCs when the adjustment amounts on incoming MSP claims are negative.</li> <li>• Medicare systems will automatically reprocess any MSP claims retroactive to July 5, 2009, and remove the positive Claim Adjustment Segment (CAS) CARC adjustment from the primary payer payment amount where a CARC adjustment was added to the primary payer payment amount when the same CAS CARC adjustment was received as a negative adjustment.</li> </ul>
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Background	<ul style="list-style-type: none"> <li>• CR6426 and CR6427 instruct Medicare contractors to take into consideration the CARCs and the applicable adjustment amounts when processing MSP claims.</li> <li>• Business requirements (BRs) 6426.6 and 6427.6 instruct shared systems to add certain CARC adjustment amounts to the paid amounts when these CARCs are received on a claim.</li> <li>• There have been rare circumstances where the CARCs found in BR6426.6 and BR6427.6 on incoming MSP claims include a negative adjustment amount and the shared systems mistakenly added the same adjustment amount to the claim based on instructions found in CR6426 and CR6427.</li> </ul>
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Operational Impact	N/A
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Reference Materials	<p>The related MLN Matters® article can be found at <a href="http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM6736.pdf">http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM6736.pdf</a> on the CMS website.</p> <p>The official instruction (CR6736) regarding this change may be viewed at <a href="http://www.cms.hhs.gov/Transmittals/downloads/R73MSP.pdf">http://www.cms.hhs.gov/Transmittals/downloads/R73MSP.pdf</a> on the CMS website. CR6736 includes the revisions that will be made to the <i>Medicare Secondary Payer (MSP) Manual</i>, Chapter 5 (Contractor Prepayment Processing Requirements), Section 40.7.5 (Effect of Failure to File Proper Claim).</p> <p>CR6426 is available at <a href="http://www.cms.hhs.gov/transmittals/downloads/R70MSP.pdf">http://www.cms.hhs.gov/transmittals/downloads/R70MSP.pdf</a> on the CMS website.</p> <p>CR6427 is available at <a href="http://www.cms.hhs.gov/transmittals/downloads/R67MSP.pdf">http://www.cms.hhs.gov/transmittals/downloads/R67MSP.pdf</a> on the CMS website.</p>
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