DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services



The "September 2013 ICD-10-CM/PCS Billing and Payment Frequently Asked Questions" Fact Sheet (ICN 908974) was released and is now available in downloadable format. This fact sheet is designed to provide education on the International Classification of Diseases, 10th Edition, Clinical Modification/Procedure Coding System (ICD-10-CM/PCS). It includes the following information: ICD-10-CM/PCS compliance date and billing and payment Frequently Asked Questions.

MLN Matters® Number: MM8518 Revised

Related Change Request (CR) #: CR 8518

Related CR Release Date: March 18, 2014

Effective Date: January 1, 2014

Related CR Transmittal #: R1360OTN

Implementation April 7, 2014 (See Note below)

# Implement Operating Rules - Phase III ERA EFT: CORE 360 Uniform Use of Claim Adjustment Reason Codes (CARC) and Remittance Advice Remark Codes (RARC) Rule - Update from CAQH CORE - October 1, 2013 version 3.0.3

Note: This article was revised on March 19, 2014, to reflect a new Change Request (CR). The CR was revised to include two attachments for V3.0.3 and V 3.0.4 of the Council for Affordable Quality Health Care (CAQH) Committee on Operating Rules for Information Exchange (CORE), Mandated CARC/RARC Code Combination List. Version 3.0.4, published January 31, 2014, must be implemented no later than May 1, 2014. The attachment of document V 3.0.3 shows the changes made between Version 3.0.2 and 3.0.3. The attachment of document V 3.0.4 shows the changes made between V 3.0.3 to V 3.0.4. Additionally, the implementation date for V 3.0.4 for Part A and Part B MACs has been delayed to May 5, 2014. The CR release date, transmittal number and link to the CR were also change. All other information remains the same.

## Provider Types Affected

This MLN Matters® Article is intended for physicians, providers, and suppliers submitting claims to Medicare contractors (carriers, A/B Medicare Administrative Contractors (MACs), Home Health & Hospice Medicare Administrative Contractors (HH&H), Durable

Medical Equipment MACs (DME MACs), Fiscal Intermediaries (FIs), and Regional Home Health Intermediaries (RHHIs)) for services to Medicare beneficiaries.

## Provider Action Needed

Change Request (CR) 8518, from which this article is taken, instructs Medicare contractors to report only the code combinations that are listed in the current version of the Committee on Operating Rules for Information Exchange (CORE) 360 Uniform Use of CARC and RARC Rule . The spreadsheet attached to CR8518 (which is available also at **http://www.caqh.org/CORECodeCombinations.php**) shows the change log for CORE Code Combination Version 3.0.3 updates published on October 1, 2013.

## Background

The Department of Health and Human Services (HHS) adopted the Phase III Council for Affordable Quality Healthcare (CAQH) CORE Electronic Funds Transfer (EFT) & Electronic Remittance Advice (ERA) Operating Rule Set that must be implemented by January 1, 2014, under the Affordable Care Act. The Health Insurance Portability and Accountability Act (HIPAA) amended the Act by adding Part C—Administrative Simplification—to Title XI of the Social Security Act, requiring the Secretary of HHS (the Secretary) to adopt standards for certain transactions to enable health information to be exchanged more efficiently, and to achieve greater uniformity in the transmission of health information.

More recently, the National Committee on Vital and Health Statistics (NCVHS) reported to the Congress that the transition to Electronic Data Interchange (EDI) from paper has been slow and disappointing. Through the Affordable Care Act, Congress sought to promote implementation of electronic transactions and achieve cost reduction and efficiency improvements by creating more uniformity in the implementation of standard transactions. This was done by mandating the adoption of a set of operating rules for each of the HIPAA transactions. The Affordable Care Act defines operating rules and specifies the role of operating rules in relation to the standards.

CAQH CORE published Code Combination Version 3.0.3 on October 1, 2013. This update is based on July, 2013 CARC and RARC updates as posted at the WPC website. You may review these updates at: **http://www.wpc-edi.com/reference** for CARC and RARC updates and **http://www.caqh.org/CORECodeCombinations.php** for CAQH CORE defined code combination updates.

## Additional Information

The official instruction, CR 8518 issued to your Medicare contractor regarding this change may be viewed at **http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R1360OTN.pdf** on the Centers for Medicare & Medicaid Services (CMS) website.

In CR8365, released on August 16, 2013, CMS instructed Medicare contractors to implement this updated rule set by January 6, 2014. You can find the associated MLN Matters® Article, MM8365 "Implement Operating Rules - Phase III ERA EFT: CORE 360 Uniform Use of Claim Adjustment Reason Codes (CARC) and Remittance Advice Remark Codes (RARC) Rule - Update from CAQH CORE" at **http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/Downloads/MM8365.pdf** on the CMS website.

If you have any questions, please contact your Medicare contractor at their toll-free number, which may be found at http://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/provider-compliance-interactive-map/index.html on the CMS website.