

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services



MLN Matters® Articles Index: Have you ever tried to search MLN Matters® articles for information regarding a certain issue, but you did not know what year it was published? To assist you next time in your search, try the CMS article indexes that are published at <http://www.cms.gov/outreach-and-education/medicare-learning-network-mln/MLNMattersArticles/> on the CMS website. These indexes resemble the index in the back of a book and contain keywords found in the articles, including HCPCS codes and modifiers. These are published every month. Just search for a keyword(s) and you will find articles that contain those word(s). Then just click on one of the related article numbers and it will open that document. Give it a try.

MLN Matters® Number: MM9125 Revised

Related Change Request (CR) #: CR 9125

Related CR Release Date: April 27, 2015

Effective Date: July 1, 2015

Related CR Transmittal #:R3242CP

Implementation Date: July 6, 2015

**Remittance Advice Remark and Claims Adjustment Reason Code and Medicare Remit Easy Print and PC Print Update**

**Note:** This article was revised on April 27, 2015, to reflect an updated Change Request (CR). That CR, made changes to the Attachments I and II with regard to new and deactivated codes (pages 4-5 below) . All other information remains the same.

**Provider Types Affected**

This MLN Matters® Article is intended for physicians, providers, and suppliers who submit claims to Medicare Administrative Contractors (MACs) for services provided to Medicare beneficiaries.

**Disclaimer**

This article was prepared as a service to the public and is not intended to grant rights or impose obligations. This article may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations and other interpretive materials for a full and accurate statement of their contents. CPT only copyright 2013 American Medical Association.

## Provider Action Needed

---

This article is based on CR9125, which updates the Claim Adjustment Reason Code (CARC) and Remittance Advice Remark Code (RARC) lists. It also instructs Medicare system maintainers to update Medicare Remit Easy Print (MREP) and PC Print. Make sure that your billing staffs are aware of these changes and obtain the updated MREP or PC Print software if they use that software.

## Background

---

The Health Insurance Portability and Accountability Act (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 and appropriate RARCs that provide either supplemental explanation for a monetary adjustment or policy information, which generally applies to the monetary adjustment, are required in the remittance advice and coordination of benefits transactions.

The CARC and RARC changes that affect Medicare are usually requested by the Centers for Medicare & Medicaid Services (CMS) staff in conjunction with a policy change. Medicare contractors and Shared System Maintainers (SSMs) are notified about these changes in the corresponding instructions from the specific CMS component that implements the policy change, in addition to the regular code update notification. If a modification has been initiated by an entity other than CMS for a code currently used by Medicare, MACs must either use the modified code or another code if the modification makes the modified code inappropriate to explain the specific reason for adjustment.

SSMs have the responsibility to implement code deactivation making sure that any deactivated code is not used in original business messages, but the deactivated code in derivative messages is allowed. SSMs must make sure that Medicare does not report any deactivated code on or before the effective date for deactivation as posted on the Washington Publishing Company (WPC) website. If any new or modified code has an effective date past the implementation date specified in CR9125, MACs will implement on the date specified on the WPC website. The WPC website is available at <http://www.wpc-edi.com/Reference> on the Internet

CR9125 lists only the changes that have been approved since the last code update CR (CR9004 issued on January 9, 2015, with a related MLN Matters® article available at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/downloads/MM9004.pdf>), and does not provide a complete list of codes for these two code sets. The complete list for both CARC and RARC from the WPC website is updated three times a year – around March 1, July 1, and November 1. The WPC website, which has four listings available for both CARC and RARC, is available at <http://www.wpc-edi.com/Reference> on the Internet

### Disclaimer

This article was prepared as a service to the public and is not intended to grant rights or impose obligations. This article may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations and other interpretive materials for a full and accurate statement of their contents. CPT only copyright 2013 American Medical Association.

**In case of any discrepancy in the code text as posted on WPC website and as reported in any CR, the WPC version should be implemented.**

**Note:** This recurring Code Update CR lists only the changes approved since the last recurring Code Update CR once. If any modification or deactivation becomes effective at a future date, MACs must make sure that they update on the effective date or the quarterly release date that matches the effective date as posted on the WPC website.

## Changes in CARC List Since CR 9004

The following tables are changes in the CARC database since the last code update in CR 9004.

### New Codes – CARC

Code	Modified Narrative	Effective Date
269	Anesthesia not covered for this service/procedure. Note: Refer to the 835 Healthcare Policy Identification Segment (loop 2110 Service Payment Information REF), if present.	03/01/2015

### Modified Codes – CARC

Code	Modified Narrative	Effective Date
45	Charge exceeds fee schedule/maximum allowable or contracted/legislated fee arrangement. (Use only with Group Codes PR or CO depending upon liability) This change effective 11/1/2015: Charge exceeds fee schedule/maximum allowable or contracted/legislated fee arrangement. Note: this must not duplicate provider adjustment amounts (payments and contractual reductions) that have resulted from prior payer(s) adjudication. (Use only with Group Codes PR or CO depending upon liability)	03/01/2015
55	Procedure/treatment/drug is deemed experimental/investigational by the payer. Note: Refer to the 835 Healthcare Policy Identification Segment (loop 2110 Service Payment Information REF), if present.	03/01/2015
133	The disposition of this service line is pending further review. (Use only with Group Code OA). Note: Use of this code requires a reversal and correction when the service line is finalized (use only in Loop 2110 CAS segment of the 835 or Loop 2430 of the 837).	03/01/2015
267	Claim/service spans multiple months. Rebill as separate claim/service. This change effective 9/1/2015: Claim/service spans multiple months. At least one Remark Code must be provided (may be comprised of either the NCPDP Reject Reason Code, or Remittance Advice Remark Code that is not an ALERT.)	04/01/2015

#### Disclaimer

This article was prepared as a service to the public and is not intended to grant rights or impose obligations. This article may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations and other interpretive materials for a full and accurate statement of their contents. CPT only copyright 2013 American Medical Association.

**Deactivated Codes – CARC**

Code	Current Narrative	Effective Date
A7	Presumptive Payment Adjustment	07/01/2015

**Changes in RARC List Since CR 9004**

The following tables are changes in the RARC database since the last code update in CR 9004.

**New Codes – RARC**

Code	Modified Narrative	Effective Date
N736	Incomplete/invalid Sleep Study Report.	03/01/2015
N737	Missing Sleep Study Report.	03/01/2015
N738	Incomplete/invalid Vein Study Report.	03/01/2015
N739	Missing Vein Study Report.	03/01/2015
N740	The member's Consumer Spending Account does not contain sufficient funds to cover the member's liability for this claim/service.	03/01/2015
N741	This is a site neutral payment.	03/01/2015
N742	Alert: This claim was processed based on one or more ICD-9 codes. The transition to ICD-10 is required by October 1, 2015, for health care providers, health plans, and clearinghouses. More information can be found at <a href="http://www.cms.gov/Medicare/Coding/ICD10/ProviderResources.html">http://www.cms.gov/Medicare/Coding/ICD10/ProviderResources.html</a> on the CMS website.	03/01/2015
N743	Adjusted because the services may be related to an employment accident.	03/01/2015
N744	Adjusted because the services may be related to an auto accident.	03/01/2015
N745	Missing Ambulance Report.	03/01/2015

**Disclaimer**

This article was prepared as a service to the public and is not intended to grant rights or impose obligations. This article may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations and other interpretive materials for a full and accurate statement of their contents. CPT only copyright 2013 American Medical Association.

Code	Modified Narrative	Effective Date
N746	Incomplete/invalid Ambulance Report.	03/01/2015
N747	This is a misdirected claim/service. Submit the claim to the payer/plan where the patient resides.	03/01/2015
N748	Adjusted because the related hospital charges have not been received.	03/01/2015
N749	Missing Blood Gas Report.	03/01/2015
N750	Incomplete/ invalid Blood Gas Report.	03/01/2015
N751	Adjusted because the drug is covered under a Medicare Part D plan.	03/01/2015
N752	Missing/incomplete/invalid HIPPS Treatment Authorization Code (TAC).	03/01/2015

### **Modified Codes – RARC**

Code	Modified Narrative	Effective Date
N10	Adjustment based on the findings of a review organization/professional consult/manual adjudication/medical advisor/dental advisor/peer review.	03/01/2015

### **Deactivated Codes – RARC**

Code	Current Narrative	Effective Date
N483	Missing Periodontal Charts	05/01/2015
N484	Incomplete/invalid Periodontal Charts.	05/01/2015
N29	Missing documentation/orders/notes/summary/report/chart	03/01/2016
N225	Incomplete/invalid documentation/orders/notes/summary/report/chart	03/01/2016

The full CARC and RARC lists must be downloaded from the WPC website available at <http://wpc-edi.com/Reference> on the Internet.

#### Disclaimer

This article was prepared as a service to the public and is not intended to grant rights or impose obligations. This article may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations and other interpretive materials for a full and accurate statement of their contents. CPT only copyright 2013 American Medical Association.

## Additional Information

---

The official instruction, CR 9125, issued to your MAC regarding this change, is available at <http://www.cms.hhs.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R3242CP.pdf> on the CMS website.

If you have any questions, please contact your MAC at their toll-free number. That number is available at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Net/work-MLN/MLNMattersArticles/index.html> under “How Does It Work” on the CMS website.

### Disclaimer

This article was prepared as a service to the public and is not intended to grant rights or impose obligations. This article may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations and other interpretive materials for a full and accurate statement of their contents. CPT only copyright 2013 American Medical Association.