

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
Centers for Medicare & Medicaid Services



New product from the Medicare Learning Network® (MLN)

- [Co-Surgery Not Billed with Modifier 62](#), Podcast (ICN 909209)  
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MLN Matters® Number: MM9138

Related Change Request (CR) #: CR 9138

Related CR Release Date: May 29, 2015

Effective Date: October 1, 2015

Related CR Transmittal #: R3270CP

Implementation Date: October 5, 2015

**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**

**Provider Types Affected**

This MLN Matters® Article is intended for physicians, providers, and suppliers submitting claims to Medicare Administrative Contractors (MACs), including Home Health & Hospice MACs and Durable Medical Equipment (DME) MACs for services to Medicare beneficiaries.

**Provider Action Needed**

This article is based on Change Request (CR) 9138 which instructs MACs and Medicare's Shared System Maintainers (SSMs) to update their systems based on the Council for Affordable Quality Healthcare (CAQH) 360 Uniform Use of CARC and RARC (835) Rule Set. These system updates are based on the Committee on Operating Rules for Information Exchange (CORE) Code Combination List to be published on or about June 1, 2015. Make sure that your billing staffs are aware of these changes.

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## Background

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The Department of Health and Human Services (HHS) adopted the Phase III CAQH CORE Electronic Funds Transfer (EFT) & Electronic Remittance Advice (ERA) Operating Rule Set that was under the Affordable Care Act. The Health Insurance Portability and Accountability Act (HIPAA) amended the Social Security by adding Part C—Administrative Simplification—to Title XI of the Social Security Act, requiring the Secretary of Health and Human Services 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.

CR9138 deals with the regular update in CAQH CORE defined code combinations per Operating Rule 360 - Uniform Use of Claim Adjustment Reason Codes and Remittance Advice Remark Codes (835) Rule.

CAQH CORE will publish the next version of the Code Combination List on or about June 1, 2015. This update is based on March 1, 2015 Claim Adjustment Reason Code (CARC) and Remittance Advice Remark Code (RARC) updates as posted at the WPC website.

Please go to <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.

Note: Per the Affordable Care Act mandate all health plans including Medicare must comply with CORE 360 Uniform Use of CARCs and RARCs (835) rule or CORE developed maximum set of CARC/RARC/Group Code for a minimum set of 4 Business Scenarios. Medicare can use any code combination if the business scenario is not one of the 4 CORE defined business scenarios but for the 4 CORE defined business scenarios, Medicare must use the code combinations from the lists published by CAQH CORE.

## Additional Information

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The official instruction, [CR9138](#) issued to your MAC regarding this change is available 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.

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