

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



MLN Matters® Number: MM9578

Related Change Request (CR) #: CR 9578

Related CR Release Date: April 29, 2016

Effective Date: October 1, 2016

Related CR Transmittal #: R3510CP

Implementation Date: October 3, 2016

Updates to Pub. 100-04, Chapters 1 and 16 to Correct Remittance Advice Messages

Provider Types Affected

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

Provider Action Needed

If Change Request (CR) 9578 updates Chapter 1 and Chapter 16 of the “Medicare Claims Processing Manual” to reflect the standard format and to correct any non-compliant remittance advice code combinations. Make sure that your billing staffs are aware of the corrected code combinations.

Background

Section 1171 of the Social Security Act requires a standard set of operating rules to regulate the health insurance industry’s use of Electronic Data Interchange (EDI) transactions. Operating Rule 360: Uniform Use of CARCs and RARCs, regulates the way in which group codes, Claims Adjustment Reason Codes (CARCs), and Remittance Advice Remark Codes (RARCs) may be used. The rule requires specific codes which are to be used in combination with one another if one of the named business scenarios applies. This rule is authored by the Council for Affordable Quality Healthcare (CAQH) Committee on Operating Rules for Information Exchange (CORE).

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Medicare and all other payers must comply with the CAQH CORE-developed code combinations. The business scenario for each payment adjustment must be defined, if applicable, and a valid code combination selected for all remittance advice messages.

CR9578 makes the following code revisions:

1. When a MAC rejects an out of jurisdiction professional claim as unprocessable, the following codes are used:
 - Group Code of CO
 - CARC 109, and
 - RARC N104
2. When a MAC rejects misdirected Railroad Retirement Board claims as unprocessable, the following codes are used:
 - Group Code of CO
 - CARC 109, and
 - RARC N105
3. When a MAC rejects misdirected United Mine Workers Association claims as unprocessable, the following codes are used:
 - Group Code CO
 - CARC 109, and
 - RARC N127
4. In the above 3 situations, RARC MA130 was used previously, but will no longer be used in these situations.

Additional Information

The official instruction, CR9578 issued to your MAC regarding this change is available at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R3510CP.pdf>. The revised manual Chapters 1 and 16 are attached to CR9578.

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-Network-MLN/MLNMattersArticles/index.html> under - How Does It Work.

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