

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services



MLN Matters® Number: MM9841

Related Change Request (CR) #: CR 9841

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Related CR Transmittal #: R3650CP

Implementation Date: February 10, 2017

Updates to Pub. 100-04, Chapters 8, 13 and 14 to Correct Remittance Advice Messages

Provider Types Affected

This MLN Matters® Article is intended for physicians and providers, especially clinical diagnostic laboratories, ambulatory surgical centers, and end stage renal disease facilities submitting claims to Medicare Administrative Contractors (MACs) for services provided to Medicare beneficiaries.

What You Need to Know

Change Request (CR) 9841 revises Chapters 8, 13, and 14 of the “Medicare Claims Processing Manual” to ensure that all remittance advice coding is consistent with nationally standard operating rules. CR9841 also provides a format for consistently showing remittance advice coding throughout the “Medicare Claims Processing Manual.”

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 Claims Adjustment Reason Codes (CARCs) and Remittance Advice Remark Codes (RARCs), regulates the way in which group codes, CARCs, and 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. The Council for Affordable Quality Healthcare (CAQH) Committee on Operating Rules for Information Exchange (CORE) authored this rule.

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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. CR9841 updates Chapters 8, 13, and 14 of the manual to reflect the standard format and to correct any non-compliant code combinations. Certain sections of Chapter 8 that contained remittance advice codes are deleted since the instructions are now obsolete. Additional CRs will follow to provide similar revisions to the remaining chapters of the “Medicare Claims Processing Manual.”

Additional Information

The official instruction, CR9841, issued to your MAC regarding this change is available at <https://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R3650CP.pdf>.

If you have any questions, please contact your MAC at their toll-free number. That number is available at <https://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/Medicare-FFS-Compliance-Programs/Review-Contractor-Directory-Interactive-Map/>.

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