

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



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MLN Matters® Number: MM9004

Related Change Request (CR) #: CR 9004

Related CR Release Date: January 9, 2015

Effective Date: April 1, 2015

Related CR Transmittal #: R3161CP

Implementation Date: April 6, 2015

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

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

Change Request (CR) 9004 updates the Claim Adjustment Reason Code (CARC) and Remittance Advice Remark Code (RARC) lists that are effective April 1, 2015. The CR 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 for 2015 and that they obtain the updated MREP or PC Print software if they use that software.

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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 that 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 on Washington Publishing Company (WPC) website. If any new or modified code has an effective date past the implementation date specified in CR9004, 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.

CR9004 lists only the changes that have been approved since the last code update CR (CR8855, Transmittal 2996, issued on July 25, 2014, with a related MLN Matters® article available at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/Downloads/MM8855.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

Changes in CARC List since CR8855

These are changes in the CARC database since the last code update in CR8855.

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New Codes – CARC:

Code	Current Narrative	Effective Date
262	Adjustment for delivery cost. Note: To be used for pharmaceuticals only.	11/1/2014
263	Adjustment for shipping cost. Note: To be used for pharmaceuticals only.	11/1/2014
264	Adjustment for postage cost. Note: To be used for pharmaceuticals only.	11/1/2014
265	Adjustment for administrative cost. Note: To be used for pharmaceuticals only.	11/1/2014
266	Adjustment for compound preparation cost. Note: To be used for pharmaceuticals only.	11/1/2014
267	Claim spans multiple months. Rebill separate claim/service.	11/1/2014
268	Claim spans 2 calendar years. Please resubmit one claim per calendar year.	11/1/2014

Modified Codes – CARC:

Code	Modified Narrative	Effective Date
133	The disposition of the claim/service is pending further review. (Use only with Group Code OA). This change effective 11/01/2014: 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).	11/1/2014
201	Patient is responsible for amount of this claim/service through 'set aside arrangement' or other agreement. (Use only with Group Code PR) 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.)	11/1/2014

Deactivated Codes – CARC –None**Disclaimer**

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Changes in RARC List since CR8855

These are changes in the RARC database since the last code update CR 8855.

New Codes – RARC:

Code	Narrative	Effective Date
N729	Missing patient medical/dental record for this service.	11/1/2014
N730	Incomplete/invalid patient medical/dental record for this service.	11/1/2014
N731	Incomplete/Invalid mental health assessment.	11/1/2014
N732	Services performed at an unlicensed facility are not reimbursable.	11/1/2014
N733	Regulatory surcharges are paid directly to the state.	11/1/2014
N734	The patient is eligible for these medical services only when unable to work or perform normal activities due to an illness or injury.	11/1/2014

Modified Codes – RARC:

Code	Modified Narrative	Effective Date
N42	Missing mental health assessment.	11/1/2014
MA118	Alert: No Medicare payment issued for this claim for services or supplies furnished to a Medicare-eligible veteran through a facility of the Department of Veterans Affairs. Coinsurance and/or deductible are applicable.	11/1/2014
MA09	Claim submitted as unassigned but processed as assigned in accordance with our current assignment/participation agreement.	11/1/2014

Deactivated Codes – RARC

Code	Current Narrative	Effective Date
N483	Missing Periodontal Charts	05/01/2015
N484	Incomplete/invalid Periodontal Charts.	5/1/2015

NOTE: 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.

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Additional Information

The official instruction, CR9004, issued to your MAC regarding this change, is available at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R3161CP.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.

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