

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



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## Remittance Advice Resources and Frequently Asked Questions (FAQs)



## Background

Medicare Administrative Contractors (MACs) send final claim adjudication and payment information to providers, suppliers, and billers using an Electronic Remittance Advice (ERA) or a Standard Paper Remittance (SPR) along with payments for services provided. These Remittance Advices (RAs) give explanations and guidance as to whether payments were or were not made, or if the payment differs from what was submitted. Itemized information is reported within that ERA or SPR for each claim and/or line to enable the provider to associate the adjudication decisions with those claims/lines as submitted by the provider. The ERA or SPR reports the reason for each adjustment, and the value of each adjustment. Adjustments can happen at line, claim, or provider level. In the case of an ERA, the adjustment reasons are reported through standard codes. For any line or claim level adjustment, three sets of codes may be used:

1. Claim Adjustment Group Code (Group Code)
2. Claim Adjustment Reason Code (CARC)
3. Remittance Advice Remark Code (RARC)

Group Codes assign financial responsibility for the unpaid portion of the claim balance for example, Contractual Obligation (CO) assigns responsibility to the provider and Patient Responsibility (PR) assigns responsibility to the patient. Medicare beneficiaries may be billed only when Group Code PR is used with an adjustment. CARCs provide an overall explanation for the financial adjustment, and may be supplemented with the addition of a more specific explanation using RARCs. Medicare beneficiaries are sent a Medicare Summary Notice that indicates how much financial responsibility the beneficiary has.

At the provider level, adjustments are usually not related to any specific claim in the remittance advice, and Provider Level Balance (PLB) reason codes are used to explain the reason for the adjustment. Some examples of provider level adjustment would be:

1. An increase in payment for interest due as a result of the late payment of a clean claim by Medicare;
2. A deduction from payment as a result of a prior overpayment; or
3. An increase in payment for any provider incentive plan. The SPR also reports these standard codes, and provides the code text as well. One check or electronic funds transfer (EFT) is issued when payment is due; representing all benefits due from Medicare for the claims itemized in that ERA or SPR.

Payees use RA information as inputs to patient accounting system/accounts receivable (A/R) and general ledger applications. In addition, RA information may indicate a need for you to resubmit a claim with corrected information. Also, you can appeal the payment.

This fact sheet presents a guide to SPR and ERAs and presents seven questions healthcare professionals most frequently ask about the RA.

## SPR vs ERA

You may receive an RA from Medicare in an electronic format (the ERA), or in a paper format (the SPR). Although the information on the ERA and SPR is similar, the two formats are arranged differently and the ERA offers some data and administrative efficiencies not available in an SPR.

The Health Insurance Portability and Accountability Act (HIPAA) does not cover the SPR, so service-line information may not appear on some institutional SPRs like it does on an ERA. The SPR shows the same segments, fields and codes that are on the ERA that help you to make sure that the 835 balances at three levels (transaction, claim, and service-line).

Any health care professional who is active in the Medicare Program and submits claims, may receive an ERA. If you submit your claims on paper, or if you send claims electronically and do not have your own submitter number and want to receive ERAs directly, you must complete the Separate Remittance Agreement form. You may allow a billing service or clearinghouse to receive the ERA files on your behalf by completing the Provider/Submitter Agreement form. Should you need assistance in preparing the necessary paperwork, contact your [MAC's EDI Helpline](#).

There are a number of advantages to using the ERA versus the SPR. The amount payable for each line and/or claim as well as each adjustment applied to a line or claim can be automatically posted to accounting or billing applications from an ERA, eliminating the time and cost for staff to post this information manually from an SPR. ERAs generally contain more detailed information than the SPR.

Please see the [EFT section](#) on the Centers for Medicare & Medicaid Services (CMS) website for further information on the benefits of acceptance of EFT for Medicare claim payments.

**Note:** Medicare contractors do not distribute SPRs if you have been receiving ERAs for more than 30 days (institutional providers) and 45 days (professional providers/suppliers) respectively, if you submit through a billing service or clearinghouse, or a submitter/sender ID that is currently receiving ERAs, you will no longer receive your SPR effective with the completion of the ERA setup date.

## Enrolling in ERA

You can find direction for enrolling in ERA on all MAC websites.

ERA is an outbound electronic data interchange (EDI) transaction that enables you to receive payment information in an electronic file format. If you have software capability in place in your system, the MAC can automatically post an ERA file created by Medicare to your accounts receivable system. Once the ERA is in place, the payment posting process is more efficient and accurate.

## Free Medicare ERA Software

Medicare provides free downloadable translator software that can both read the ERA as well as print an equivalent of an SPR. Institutional providers can get PC Print, and professional providers can get Medicare Remit Easy Print (MREP) from their contractors. These software products enable you to store, view, and print ERAs when you need them, thus eliminating the need to request or await mail delivery of SPRs. The software also enables you to export special reports to Excel and other application programs you may have.

PC-Print is free software, which is a Personal Computer (PC)-based American National Standards Institute (ANSI) Accredited Standard Committee (ASC) X12 835 translator interactive program. It allows you to view and print the Medicare Part A ERA.

**Note:** CMS software downloads are free. However, a small fee may apply if providers request an alternate software delivery method for any of these products.

## Commercial ERA Software

Although Medicare offers free ERA software, you may decide to purchase your own software that better fits your business needs. For example, you may seek RA software that is totally integrated with other office management suite applications you use for billing, accounts receivables, reporting capabilities, and other purposes. Otherwise, you may prefer the flexibility of web-based application options to eliminate the need to download software updates. Additionally, you may seek integrated software packages that are designed for your type of facility or specialty, or the relative size of your facility or practice.

If you use proprietary software you should confirm that the software version in use meets HIPAA-compliant ASC X12 835 format standards and includes required and situational data elements that comply with Medicare guidelines.

MACs provide directories of approved HIPAA-compliant software vendors, billing services, and clearinghouses. Medicare and its contractors do not endorse any particular commercial ERA product. We encourage you to do your own thorough research when considering purchasing or using software outside of that which CMS provides. Please direct any questions about the features and functionality of such software to the software vendors themselves and not to CMS or its contractors.

**Note:** Regardless of what software is used for ERA, you should monitor CMS MLN Matters® Article releases for updates to:

- **CMS provided PC Print or Medicare Remit Easy Print (MREP)**
- **Claim Adjustment Reason Codes (CARCs)**
- **Remittance Advice Remark Codes (RARCs)**
  - The CARC and RARC lists are updated three times per year. CMS publishes an MLN Matters® Article advising providers of each update. The usual updates occur on March 1, July 1, and November 1.
  - Reviewing these will help you assure that your ERA software has the proper code updates.

## Frequently Asked Questions

### 1. What is PC-Print?

PC-Print is free software, which is a Personal Computer (PC)-based ANSI ASC X12 835 translator interactive program. It allows you to view and print the Medicare Part A ERA.

The PC Print software is available for Medicare Part A providers to view and print HIPAA-compliant ERAs from their own computer. If your current system does not have ERA capability, the PC Print software is available at no cost. This software is easy to use and will save you both time and money if you are currently receiving SPR.

Your A/B MAC is required to make PC Print software available to providers for downloading at no charge. The MAC may charge up to \$25.00 per mailing to recoup cost if the software is sent to provider on a CD/DVD or any other means at provider's request when the software is available for downloading. You may contact your MAC's EDI Part A Helpline if you need assistance in obtaining PC-Print.

### 2. Does PC-Print provide an option for viewing/printing the ERA that mimics the paper remittance?

Yes, you may view or print the ERA in a format similar to the SPR.

To view the entire ERA, import the ERA that you wish to view and click on the button for the All Claims (AC) screen. This screen displays the data in a manner similar to the content and format of an SPR.

To print the entire ERA, after selecting the AC screen, just click on the printer button and this will allow you to print the entire ERA in a format that is similar to the SPR.



### 3. How long is the ERA available in PC-Print? After PC-Print is closed, how can we access the ERA?

Once you have downloaded an ERA from your EDI mailbox and saved it to your office computer, you can open it in PC-Print at your convenience. Just “browse” to the directory where your 835 ERAs are saved.

If there is a problem retrieving your remittance advice, it can be reloaded to your EDI mailbox. Please contact Medicare EDI at 1-888-670-0940, option 1.

### 4. What is Medicare Remit Easy Print (MREP)?

This software is provided for Part B providers. CMS provides the Medicare Remit Easy Print (MREP) software to view and print the HIPAA-compliant 835 for professional providers and suppliers. You can use this software, which is available free to Medicare Part B providers and suppliers of Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS), to access and print RA information, including special reports, from the HIPAA 835. MREP enables you to print HIPAA ASC X12 835 version 5010A1 files to a format that is similar to the traditional SPR format. You can use MREP to view, search, and print RAs; and print and export reports containing RA information.

Instructions for downloading MREP software are available at <https://www.cms.gov/Research-Statistics-Data-and-Systems/CMS-Information-Technology/AccessToDataApplication/MedicareRemitEasyPrint.html> on the CMS website.

### 5. If I sign up for ERA, will it affect how I receive my payment?

No, ERA and Medicare payments are two separate functions. If you sign up for ERA, it will not impact the way your Medicare payments are made.

### 6. Will I be able to access ERAs that Medicare issued prior to the date I signed up for ERA?

No, ERA becomes effective the day you sign up. You will not be able to access RAs that were issued before you signed up.

### 7. What other educational resources are available for the Remittance Advice?

There are other educational resources available from the Medicare Learning Network®. The other products are:

- A booklet entitled [Reading Institutional Remittance Advice \(RA\)](#) is available on the Centers for Medicare & Medicaid Services (CMS) website.
- The [Remittance Advice Resources Fact Sheet](#), which addresses the various resources and tools available for handling the remittance advice, is available on the CMS website.
- A [Medicare Remit Easy Print Software Fact Sheet](#) is available on the CMS website.
- The [CMS Health Care Payment and Remittance Advice webpage](#) contains other related information.
- The [CMS Medicare Remit Easy Print \(MREP\) webpage](#) has more details on this software.
- More general information about Remittance Advice is available in [Chapter 22](#) of the “Medicare Claims Processing Manual,” entitled, “Remittance Advice,” on the CMS website.



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