

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-20 One-Time Notification	Centers for Medicare & Medicaid Services (CMS)
Transmittal 2335	Date: August 2, 2019
	Change Request 11369

SUBJECT: Instructions for Use of Informational Remittance Advice Remark Code Alert on Laboratory Service Remittance Advices

I. SUMMARY OF CHANGES: Effective January 1, 2020, a revised informational RARC Alert Code N817 shall be included on ALL RAs returned from processed claims containing a lab service.

EFFECTIVE DATE: January 1, 2020

**Unless otherwise specified, the effective date is the date of service.*

IMPLEMENTATION DATE: January 6, 2020

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)

R=REVISED, N=NEW, D=DELETED-Only One Per Row.

R/N/D	CHAPTER / SECTION / SUBSECTION / TITLE
N/A	

III. FUNDING:

For Medicare Administrative Contractors (MACs):

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

IV. ATTACHMENTS:

One Time Notification

Attachment - One-Time Notification

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I. GENERAL INFORMATION

A. Background: Section 1834A of the Act, as established by Section 216(a) of the Protecting Access to Medicare Act of 2014 (PAMA), required significant changes to how Medicare pays for Clinical Diagnostic Laboratory Tests (CDLTs) under the CLFS. The CLFS final rule “Medicare Clinical Diagnostic Laboratory Tests Payment System Final Rule” (CMS-1621-F) was published in the **Federal Register** on June 23, 2016. Under the CLFS final rule, reporting entities must report to CMS certain private payor rate information (applicable information) for their component applicable laboratories. The implementation of PAMA required Medicare to pay the weighted median of private payor rates for each separate Healthcare Common Procedure Coding System (HCPCS) code.

Laboratories, including an independent laboratory, a physician office laboratory or hospital outreach laboratory that meets the definition of an applicable laboratory are required to report information including laboratory test HCPCS codes, associated private payor rates, and volume data according to the below timeframes, generally every three years.

- January – June, 2019: Collect data
- July – December, 2019: Analyze data
- January – March, 2020: Report data

The Health Insurance Portability and Accountability Act of 1996 (HIPAA) instructs health plans to be able to conduct standard electronic transactions adopted under HIPAA using valid standard codes. Medicare policy states that Claim Adjustment Reason Codes (CARCs) and Remittance Advice Remark Codes (RARCs), as appropriate, which 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.

B. Policy: To assist in reminding laboratories of their reporting obligations, a new Alert RARC code was created to be placed on remittance advices.

N817: ALERT-Applicable laboratories are required to collect and report private payor data and report that data to CMS between January 1, 2020 - March 31, 2020.

II. BUSINESS REQUIREMENTS TABLE

"Shall" denotes a mandatory requirement, and "should" denotes an optional requirement.

Number	Requirement	Responsibility								Other
		A/B MAC			D M E M A C	Shared- System Maintainers				
		A	B	H H H		F I S S	M C S	V M S	C W F	
11369.1	Contractors shall program their systems to ensure that the new Informational Remittance Advice message (N817) is included on any remittance advice created on or after the implementation date of this CR (January 6, 2020) and on or before March 31, 2020, no matter the claim’s date(s) of service, where the claim contained service(s) payable under the Clinical Lab Fee Schedule (CLFS) and/or were submitted by a Medicare enrolled Hospital entity billed on a 11X, 12X, 13X, or 14X TOB, including any adjustment claims.	X	X			X	X			

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility				
		A/B MAC			D M E M A C	C E D I
		A	B	H H H		
11369.2	MLN Article: CMS will make available an MLN Matters provider education article that will be marketed through the MLN Connects weekly newsletter shortly after the CR is released. MACs shall follow IOM Pub. No. 100-09 Chapter 6, Section 50.2.4.1, instructions for distributing MLN Connects information to providers, posting the article or a direct link to the article on your website, and including the article or a direct link to the article in your bulletin or newsletter. You may supplement MLN Matters articles with localized information benefiting your provider community in billing and administering the Medicare program correctly. Subscribe to the "MLN Matters" listserv to get article release notifications, or review them in the MLN Connects weekly newsletter.	X	X			

IV. SUPPORTING INFORMATION

Section A: Recommendations and supporting information associated with listed requirements: N/A

"Should" denotes a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:
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Section B: All other recommendations and supporting information: N/A

V. CONTACTS

Pre-Implementation Contact(s): Eric Coulson, 410-786-3352 or Eric.Coulson@cms.hhs.gov , Vickie Poff, 410-786-0836 or Vickie.Poff1@cms.hhs.gov , Sarah Harding, 410-786-4001 or sarah.harding@cms.hhs.gov

Post-Implementation Contact(s): Contact your Contracting Officer's Representative (COR).

VI. FUNDING

Section A: For Medicare Administrative Contractors (MACs):

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ATTACHMENTS: 0