

<b>CMS Manual System</b>	<b>Department of Health &amp; Human Services (DHHS)</b>
<b>Pub 100-20 One-Time Notification</b>	<b>Centers for Medicare &amp; Medicaid Services (CMS)</b>
<b>Transmittal 1360</b>	<b>Date: March 18, 2014</b>
	<b>Change Request 8518</b>

**Transmittal 1358, dated March 14, 2014, is being rescinded and replaced by Transmittal 1360, dated March 18, 2014 to include two attachments, both v3.0.3 and v 3.0.4 of the Council for Affordable Quality Health Care (CAQH) Committee on Operating Rules for Information Exchange (CORE) Mandated CARC/RARC Code Combination List. Version 3.0.4 published January 31, 2014 and must be implemented no later than May 1, 2014. Attached document 1 (v 3.0.3) shows the changes made between version 3.0.2 and 3.0.3 and attached document 3 (v 3.0.4) shows the changes made between v 3.0.3 to v 3.0.4. Additionally, the implementation date for v 3.0.4 for Part A and Part B MACs has been delayed to May 5, 2014. All other information remains the same.**

**SUBJECT: Implement Operating Rules - Phase III ERA EFT: CORE 360 Uniform Use of Claim Adjustment Reason Codes (CARC) and Remittance Advice Remark Codes (RARC) Rule - Update from CAQH CORE - October 1, 2013 version 3.0.3**

**I. SUMMARY OF CHANGES:**

This Change Request (CR) instructs the contractors and the Shared System Maintainers (SSMs) to update the CORE 360 Uniform Use of CARC and RARC Rule per Attachment. The Attachment shows the CORE Code Combination Updates based on Codes Updates published on July 1 and July 15, 2013.

**EFFECTIVE DATE: January 1, 2014 - 90 days from publication date of 10-1-2013**

**IMPLEMENTATION DATE: April 7, 2014 - Earliest implementation date per Medicare release schedule; the implementation date for Part A and Part B MACs has been delayed to May 5, 2014.**

*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.

<b>R/N/D</b>	<b>CHAPTER / SECTION / SUBSECTION / TITLE</b>
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 obliged 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**

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

# Attachment - One-Time Notification

Pub. 100-20	Transmittal: 1360	Date: March 18, 2014	Change Request: 8518
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## I. GENERAL INFORMATION

### A. Background:

HHS adopted the Phase III Council for Affordable Quality Healthcare (CAQH) Committee on Operating Rules for Information Exchange (CORE) EFT & ERA Operating Rule Set that must be implemented by January 1, 2014 under Patient Protection and Affordable Care Act of 2010. Health Insurance Portability and Accountability Act (HIPAA) amended the Act by adding Part C—Administrative Simplification—to Title XI of the Social Security Act, requiring the Secretary of the Department of Health and Human Services (HHS) (the Secretary) to adopt standards for certain transactions to enable health information to be exchanged more efficiently and to achieve greater uniformity in the transmission of health information. More recently, the National Committee on Vital and Health Statistics (NCVHS) reported to the Congress that the transition to Electronic Data Interchange (EDI) from paper has been slow and disappointing. Through the Affordable Care Act, Congress sought to promote implementation of electronic transactions and achieve cost reduction and efficiency improvements by creating more uniformity in the implementation of standard transactions. This was done by mandating the adoption of a set of operating rules for each of the HIPAA transactions. The Affordable Care Act defines operating rules and specifies the role of operating rules in relation to the standards.

This CR deals with the regular update in CAQH CORE defined code combinations per Operating Rule 360 - Uniform Use of Claim Adjustment Reason Codes and Remittance Advice Remark Codes (835) Rule.

CAQH CORE has published Code Combination version 3.0.3 on October 1, 2013. This update is based on July, 2013 Claim Adjustment Reason Code (CARC) and Remittance Advice Remark Code updates as posted at the WPC Web site.

For CARC and RARC updates go to <http://www.wpc-edi.com/reference> and for CAQH CORE defined code combination updates go to <http://www.caqh.org/CORECodeCombinations.php>.

**NOTE:** Per ACA mandate all health plans including Medicare must comply with CORE 360 Uniform Use of CARCs and RARCs (835) rule or CORE developed maximum set of CARC/RARC/Group Code for a minimum set of 4 Business Scenarios. Medicare can use any code combination if the business scenario is not

one of the 4 CORE defined business scenarios but for the 4 CORE defined business scenarios, Medicare must use the code combinations from the lists published by CAQH CORE. .

**B. Policy:** Medicare implements HIPAA transactions and related Operating Rules to be compliant.

**II. BUSINESS REQUIREMENTS TABLE**

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

Number	Requirement	Responsibility											
		A/B MAC			D M E  M A C				Shared-System Maintainers				Other
		A	B	H H H					F I S S	M C S	V M S	C W F	
8518.1	Contractors and Shared System Maintainers shall report only the code combinations that are listed in the current version of <i>CORE Code Combinations</i> for use with CAQH CORE 360 Rule - <i>February 2014 CORE Code Combinations v3.0.4</i> .  <b>NOTE:</b> The document is available at:  <a href="http://www.caqh.org/CORECodeCombinations.php">http://www.caqh.org/CORECodeCombinations.php</a>	X	X	X	X						X		
8518.2	Contractors and Shared System Maintainers shall make the necessary changes per attached Change Log that lists all updates since version 3.0.2 that was implemented under CR 8365.  <b>NOTE:</b> Attachment 2 - Change Log for v 3.0.3 and v 3.0.4	X	X	X	X						X		

**III. PROVIDER EDUCATION TABLE**

Number	Requirement	Responsibility										
		A/B MAC			D M E  M A C				Other			
		A	B	H H H								
8518.3	MLN Article: A provider education article related to this instruction will be available at <a href="http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/">http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/</a> shortly after the CR is released. You will receive notification of the article	X	X	X	X							

Number	Requirement	Responsibility							
		A/B MAC			D M E				Other
		A	B	H H H	M A C				
	<p>release via the established "MLN Matters" listserv. Contractors shall post this article, or a direct link to this article, on their Web sites and include information about it in a listserv message within one week of the availability of the provider education article. In addition, the provider education article shall be included in the contractor's next regularly scheduled bulletin. Contractors are free to supplement MLN Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.</p>								

#### 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:

**Section B: All other recommendations and supporting information: N/A**

#### V. CONTACTS

**Pre-Implementation Contact(s):** sumita sen, sumita.sen@cms.hhs.gov

**Post-Implementation Contact(s):** Contact your Contracting Officer's Representative (COR) or Contractor Manager, as applicable.

#### VI. FUNDING

**Section A: For Medicare Administrative Contractors (MACs):**

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**ATTACHMENT(S): 3**