

<b>CMS Manual System</b>	<b>Department of Health &amp; Human Services (DHHS)</b>
<b>Pub 100-04 Medicare Claims Processing</b>	<b>Centers for Medicare &amp; Medicaid Services (CMS)</b>
<b>Transmittal 3660</b>	<b>Date: November 18, 2016</b>
	<b>Change Request 9774</b>

**SUBJECT: Remittance Advice Remark Code (RARC), Claims Adjustment Reason Code (CARC), Medicare Remit Easy Print (MREP) and PC Print Update**

**I. SUMMARY OF CHANGES:** The purpose of this Change Request (CR) is to update the RARC and CARC lists and also to instruct ViPS Medicare System (VMS) and Fiscal Intermediary Shared System (FISS) to update MREP and PC Print. This Recurring Update Notification applies to chapter 22, sections 40.5, 60.1, and 60.2.

**EFFECTIVE DATE: April 1, 2017**

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

**IMPLEMENTATION DATE: April 3, 2017**

*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	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:**

**Recurring Update Notification**



Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FISS	MCS	VMS	CWF	
	<p>Medicare by April 3, 2017, based on changes to the CARC and RARC lists located on the WPC website. The contractors shall review the reason and remark codes dated November 1, 2016, for "Last Modified" dates for inclusion in the April 2017 update.</p> <p><b>NOTE:</b> Some modifications may become effective at a future date. Contractors shall make sure that modifications are implemented on the effective date (which may be later than the implementation date mentioned in this CR) for those code modifications that are being used by Medicare. This is the effective date of the modification of the code, not implementation date of the code itself.</p>									
9774.2	<p>Contractors shall update reason and remark codes to include new codes that apply to Medicare by April 3, 2017. The contractors shall review the reason and remark codes dated November 1, 2016, for "Start" dates for inclusion in the April 2017 update.</p> <p><b>NOTE:</b> Some new codes may become effective at a future date. Contractors shall make sure that new codes are implemented on the effective date as posted on the WPC website.</p>	X	X	X	X	X	X	X		
9774.3	<p>Contractors shall make necessary programming changes so that no deactivated reason and remark code is reported in the remittance advice and no deactivated reason code is reported in the COB claim by April 3, 2017.</p>		X			X	X	X		CEDI

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FISS	MCS	VMS	CWF	
	<p>The contractors shall review the reason and remark codes dated November 1, 2016, for "Stop" dates for inclusion in the April 2017 update.</p> <p><b>NOTE:</b> Check the updated lists as posted on the WPC website to capture deactivations that were included in previous CR(s). WPC publishes lists for already deactivated codes and to be deactivated future codes.</p>									
9774.4	Contractors shall update any crosswalk between the standard reason and remark codes and the shared system internal codes provided to the contractors and make any standard code deactivated since the last update unavailable for use by the contractors by April 3, 2017.					X	X			CEDI
9774.5	<p>Contractors shall make necessary programming changes so that deactivated reason and remark codes are allowed in derivative messages after the deactivation implementation date per this CR or as posted on the WPC website when:</p> <ul style="list-style-type: none"> <li>• Medicare is not primary;</li> <li>• The COB claim is received after the deactivation effective date; and</li> <li>• The date in DTP03 in Loop 2430 or 2330B in COB 837 transaction is less than the deactivation effective date as posted on the WPC website.</li> </ul>					X	X			CEDI
9774.6	Contractors shall make necessary programming changes so that deactivated reason and remark codes are allowed even after the deactivation implementation date in a Reversal and					X	X			CEDI

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FISS	MCS	VMS	CWF	
	Correction situation, when a value of 22 in CLP02 identifies the claim to be a corrected claim, and in Medicare Secondary Payer claims, when forwarded to Medicare by primary payers before the deactivation date and Medicare adjudication is done after deactivation date.									
9774.7	VMS shall update MREP software by April 3, 2017. This update shall be based on the CARC and RARC lists as posted on WPC website on or about November 1, 2016.							X		
9774.8	FISS shall update the PC Print software by April 3, 2017. This update shall be based on the CARC and RARC lists as posted on WPC website on or about November 1, 2016.					X				

### III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility					
		A/B MAC			D M E M A C	C E D I	
		A	B	HHH			
9774.9	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 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 5 business days after receipt of the notification from CMS announcing the availability of the 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.	X	X	X	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:
	N/A

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

#### V. CONTACTS

**Pre-Implementation Contact(s):** Sumita Sen, Sumita.Sen@cms.hhs.gov , Katrina Mills, katrina.mills@cms.hhs.gov

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

#### VI. FUNDING

**Section A: 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.

**ATTACHMENTS: 0**