



## **Implement Operating Rules - Phase III Electronic Remittance Advice (ERA) Electronic Funds Transfer (EFT): Committee on Operating Rules for Information Exchange (CORE) 360 Uniform Use of Claim Adjustment Reason Codes (CARC), Remittance Advice Remark Codes (RARC) and Claim Adjustment Group Code (CAGC) Rule - Update from Council for Affordable Quality Healthcare (CAQH) CORE**

MLN Matters Number: MM10904

Related Change Request (CR) Number: 10904

Related CR Release Date: August 24, 2018

Effective Date: January 1, 2019

Related CR Transmittal Number: R4117CP

Implementation Date: January 7, 2019

### **PROVIDER TYPES AFFECTED**

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This MLN Matters® Article is intended for physicians, providers, and suppliers submitting claims to Medicare Administrative Contractors (MACs), including Durable Medical Equipment MACs and Home Health & Hospice MACs, for services provided to Medicare beneficiaries.

### **PROVIDER ACTION NEEDED**

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CR 10904 instructs the MACs and Medicare's Shared System Maintainers to update their systems based on the CORE 360 Uniform Use of CARC, RARC, and CAGC Rule publication. These system updates are based on the CORE Code Combination List to be published on or about October 1, 2018. Make sure that your billing staff is aware of these changes.

### **BACKGROUND**

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The Department of Health and Human Services (HHS) adopted the Phase III (CAQH CORE, EFT, and ERA Operating Rule Set that was implemented on January 1, 2014, under the Affordable Care Act.

The Health Insurance Portability and Accountability Act amended the Social Security Act by adding Part C—Administrative Simplification—to Title XI, requiring the Secretary of HHS 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.

CR10904 deals with the regular update in CAQH CORE defined code combinations per Operating Rule 360 - Uniform Use of CARC and RARC (835) Rule.

CAQH CORE will publish the next version of the Code Combination List on or about October 1, 2018. This update is based on the CARC and RARC updates as posted at the Washington Publishing Company (WPC) website on or about July 1, 2018. This will also include updates based on market-based review that CAQH CORE conducts once a year to accommodate code combinations that are currently being used by Health Plans including Medicare as the industry needs them. See: <http://www.wpc-edi.com/>, for reference for CARC and RARC updates and [http://www.caqh.org/sites/default/files/core/phase-iii/code-combinations/CORE-required\\_CodeCombos.xlsx?token=29xvBua](http://www.caqh.org/sites/default/files/core/phase-iii/code-combinations/CORE-required_CodeCombos.xlsx?token=29xvBua) for CAQH CORE defined code combination updates.

Per the Affordable Care Act 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 and CAGC combinations for a minimum set of four business scenarios. Medicare can use any code combination if the business scenario is not one of the four CORE defined business scenarios. With the four CORE defined business scenarios, Medicare must use the code combinations from the lists published by CAQH CORE.

## ADDITIONAL INFORMATION

The official instruction, CR10904, issued to your MAC regarding this change is available at <https://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/2018Downloads/R4117CP.pdf>.

If you have questions, your MACs may have more information. Find their website at <http://go.cms.gov/MAC-website-list>.

## DOCUMENT HISTORY

Date of Change	Description
August 24, 2018	Initial article released.

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