



## **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: MM11490 **Revised**

Related Change Request (CR) Number: 11490

Related CR Release Date: **April 23, 2020**

Effective Date: April 1, 2020

Related CR Transmittal Number: **R10064CP**

Implementation Date: April 6, 2020

**Note: We revised this article on April 23, 2020, to reflect the revised CR11490 issued on April 23, 2020. The CR revision updated the WPC website address and the same change is made to this article. In the article, we also revised the CR release date, transmittal number, and the web address of the CR. All other information remains the same.**

### **PROVIDER TYPES AFFECTED**

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This MLN Matters Article is for physicians, providers, and suppliers billing Medicare Administrative Contractors (MACs) for services provided to Medicare beneficiaries.

### **PROVIDER ACTION NEEDED**

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This article informs you that MACs and Medicare's Shared System Maintainers (SSMs) updated systems based on the Committee on Operating Rules for Information Exchange (CORE) 360 Uniform use of Claim Adjustment Reason Code (CARC), Remittance Advice Remark Code (RARC), and Claim Adjustment Group Code (CAGC) rule publication. These system updates are based on the CORE Code Combination List scheduled to be published on or about February 1, 2020. Make sure your billing staffs are aware of these updates.

### **BACKGROUND**

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The Department of Health & 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 (HIPAA) amended the Social Security Act (the Act) by adding Part C—Administrative Simplification—to Title XI of the Act, requiring the Secretary of 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.

CR 11490 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 February 1, 2020. This update is based on the CARC and RARC updates as posted at the Washington Publishing Company (WPC) website on or about November 1, 2019. This will also include updates based on market-based review that CAQH CORE conducts once every 2 years to accommodate code combinations that are currently being used by health plans including Medicare, as the industry needs them.

You can refer to <https://nex12.org/index.php/codes> 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.

**NOTE:** The Affordable Care Act mandates that 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 (4) business scenarios. Medicare can use any code combination if the business scenario is not one of the four (4) CORE defined business scenarios. With the four (4) CORE defined business scenarios, Medicare must use the code combinations from the lists published by CAQH CORE.

## ADDITIONAL INFORMATION

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The official instruction, CR 11490, issued to your MAC regarding this change is available at <https://www.cms.gov/files/document/r10064CP.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
April 23, 2020	We revised this article to reflect the revised CR11490 issued on April 23, 2020. The CR revision updated the WPC website address and the same change is made to this article. In the article, we also revised the CR release date, transmittal number, and the web address of the CR. All other information remains the same.
November 15, 2019	Initial article released.

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