



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: MM11321

Related Change Request (CR) Number: 11321

Related CR Release Date: June 7, 2019

Effective Date: October 1, 2019

Related CR Transmittal Number: R4317CP

Implementation Date: October 7, 2019

PROVIDER TYPES AFFECTED

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

PROVIDER ACTION NEEDED

CR11321 instructs MACs and Shared System Maintainers (SSMs) to update systems based on the 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, which will be published on or about June 4, 2019. Make sure that your billing staffs are aware of these updates.

BACKGROUND

The Department of Health and Human Services (HHS) adopted the Phase III Council for Affordable Quality Healthcare (CAQH) Committee on Operating Rules for Information Exchange (CORE), Electronic Funds Transfer (EFT), and Electronic Remittance Advice (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 that required the

Secretary of DHHS to adopt standards for certain transactions to enable more efficient health information exchange and uniformity in the transmission of health information.

Through the Affordable Care Act, Congress sought to promote the implementation of electronic transactions and to achieve cost reduction and efficiency improvements by creating more uniformity in the implementation of standard transactions. Congress accomplished this by mandating the adoption of a set of operating rules for each of the HIPAA transactions. The Affordable Care Act defines the operating rules and specifies the role of operating rules in relation to the standards.

CR11321 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 June 4, 2019. This update is based on the CARC and RARC updates the Washington Publishing Company (WPC) posts on its website on or about March 1, 2019. This will also include industry needed updates that are based on a market-based review that CAQH CORE conducts once a year to accommodate code combinations that health plans (including Medicare) are currently using.

You can refer to <http://www.wpc-edi.com/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 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

The official instruction, CR11321, issued to your MAC regarding this change is available at <https://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/2019Downloads/R4317CP.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
June 10, 2019	Initial article released.

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