

<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 943</b>	<b>Date: August 5, 2011</b>
	<b>Change Request 7500</b>

**NOTE: This Transmittal is no longer sensitive and is being re-communicated August 24, 2011. The Transmittal Number, date of Transmittal and all other information remain the same. This instruction may now be posted to the Internet.**

**SUBJECT: New Claim Adjustment Reason Code (CARC) and Remittance Advice Remark Code (RARC) Messages for the Electronic Prescribing (eRx) Negative Payment Adjustment (MIPPA, 2008)**

**I. SUMMARY OF CHANGES:** This change request provides one new CARC message and two new RARC messages to be used on the electronic remittance to communicate to eligible professionals (EP) that an adjustment has been applied related to the eRx Incentive Program Negative Adjustment.

**EFFECTIVE DATE: January 1, 2012**

**IMPLEMENTATION DATE: January 3, 2012**

*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

<b>R/N/D</b>	<b>CHAPTER / SECTION / SUBSECTION / TITLE</b>
N/A	

**III. FUNDING:**

**For Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs) and/or Carriers:**

No additional funding will be provided by CMS; contractor activities are to be carried out within their operating budgets.

**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:**

**One-Time Notification**

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

# Attachment – One-Time Notification

Pub. 100-20	Transmittal: 943	Date: August 5, 2011	Change Request: 7500
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**Effective Date: January 1, 2012**

**Implementation Date: January 3, 2012**

## I. GENERAL INFORMATION

**A. Background:** Beginning on January 1, 2012, eligible professionals (EPs) who are not successful electronic prescribers may be subject to a negative payment adjustment. Section 132 of the Medicare Improvements for Patients and Providers Act of 2008 (P.L. 110-275) (MIPPA) requires CMS to apply this negative payment adjustment to any EP who is not a successful e-prescriber under the eRx Incentive Program.

**B. Policy:** CARC messages are used on both the electronic and paper remittance advice. CARCs are used to explain the reasons for any financial adjustments, for example, denials, reductions, or increases in payment. A CARC may explain why a claim was paid differently than it was billed. RARC messages are used on a remittance advice to further explain an adjustment already described by an adjustment reason code or relay informational messages that cannot be expressed with an adjustment reason code.

This CR implements the use of one new CARC and two new RARC messages to be used on remittance advices to communicate to EPs that an adjustment has been applied related to the eRx Incentive Program Negative Adjustment.

## II. BUSINESS REQUIREMENTS TABLE

*Use “Shall” to denote a mandatory requirement*

Number	Requirement	Responsibility (place an “X” in each applicable column)									
		A / B  M A C	D M E  M A C	F I	C A R R I E R	R H I	Shared-System Maintainers				OTHER
						F I S S	M C S	V M S	C W F		
7500.1	Beginning January 1, 2012, contractors and the shared system maintainer (SSM) shall use CARC # 237 when applying the eRx negative payment adjustment, as well as if the eRx negative payment adjustment was applied in error. The message is as follows :  <b>Legislated/Regulatory Penalty. At least one Remark Code must be provided (may be comprised of either the NCPDP Reject Reason Code, or Remittance Advice Remark Code that is not an ALERT.)</b>	X			X						

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B  M A C	D M E  M A C	F I	C A R C I E R	R H H I	Shared-System Maintainers				OTHER
							F I S S	M C S	V M S	C W F	
7500.2	Beginning January 1, 2012, contractors and the SSM shall use RARC # N545 when applying the eRx negative payment adjustment. The message is as follows:  <b>Payment reduced based on status as an unsuccessful eprescriber per the Electronic Prescribing (eRx) Incentive Program.</b>	X			X						
7500.2.1	Beginning January 1, 2012, contractors and the SSM shall use the RARC message # N546 if the eRx negative payment adjustment was applied in error. This message is as follows:  <b>Payment represents a previous reduction based on the Electronic Prescribing (eRx) Incentive Program.</b>	X			X						

### III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B  M A C	D M E  M A C	F I	C A R C I E R	R H H I	Shared-System Maintainers				OTHER
							F I S S	M C S	V M S	C W F	
	None.										

### IV. SUPPORTING INFORMATION

**Section A: For any recommendations and supporting information associated with listed requirements, use the box below:**

*Use "Should" to denote a recommendation.*

X-Ref Requirement Number	Recommendations or other supporting information:
N/A	

**Section B: For all other recommendations and supporting information, use this space: N/A**

### V. CONTACTS

**Pre-Implementation Contact(s):** Division of Practitioner Claims Processing  
 Cynthia Thomas at 410-786-8169 or [cynthia.thomas2@cms.hhs.gov](mailto:cynthia.thomas2@cms.hhs.gov)  
 Mark Baldwin at 410-786-8139 or [mark.baldwin@cms.hhs.gov](mailto:mark.baldwin@cms.hhs.gov)

E-Prescribing Policy

Christina Estella at 410-786-0485 or [christine.estella@cms.hhs.gov](mailto:christine.estella@cms.hhs.gov)

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

## **VI. FUNDING**

### **Section A: For *Fiscal Intermediaries (FIs)*, *Regional Home Health Intermediaries (RHHIs)*, and/or *Carriers*:**

No additional funding will be provided by CMS; contractor activities are to be carried out within their operating budgets.

### **Section B: 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.