Electronic Remittance Advice Adjustment Reason code Mapping Reference

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What codes do I need to Map?

▶ CARC – Claim Adjustment Reason Code

▶ RARC – Remittance Advice Remark Code

▶ Group codes – Group codes for category of adjustment

▶ NCPDP Remark codes – National Council of Prescription Drug Plans (these codes are used for Pharmacy claims in place of the RARC codes)

What purpose do these codes serve?

- CARC codes are used in the CAS (5010) or RAS (7030) segments in the ERA and they explain the general reason for the amount that is not being paid by the healthcare payer.

- RARC codes are used in the MIA/MOA LQ segments of the ERA (5010) RAS (7030) and these further explain the general reason, for example :

    CARC 16 Claim/Service lacks information or has submission/billing error(s) which is needed for adjudication

    RARC N391 Missing emergency department records.
    Group code of PI – Payer initiated or CO contractual obligation might be used.

As you can see the RARC finishes the thought on what is needed so the provider can act on it to send the information to the payer for full payment.

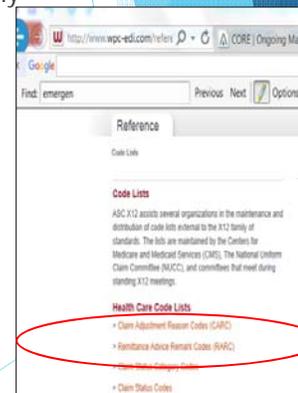# Why should I map my internal codes to the most granular level?

- Mapping your internal codes to the Group, CARC and RARC code combinations to the best match gives your providers the information they need to either correct the claim or to accurately post.

- By using appropriate codes the providers can allow the transactions to automatically post into their patient account system without manual intervention.

- Payers who map effectively can

    - reduce phone calls

    - reduce unnecessary correspondence

    - increase provider satisfaction

    - reduce the likelihood of incorrect patient billing.

So many codes how do I map them all?

▶ Yes most payers have between 1000-1500 internal codes or codes that have to be mapped.

▶ This is initially a large undertaking but if you use the tools the industry provides you will be more efficient and more accurate in your code mapping.

▶ If you create a governance process to keep them up to date then you will never have to do that large effort again!

▶ Industry tools to use :

  ▶ ASC X12 TR2 Health Care Claim Payment Advice Reference Model

    ▶ This is the encyclopedia of Group code/CARC/RARC combinations – this has all the possible combinations of these codes. ASCX12.org

  ▶ CAQH CORE – CORE-required Code Combinations for CORE-defined Business Scenarios (CORE Code Combinations) CAQH.org

    ▶ This is the CAQH CORE defined scenarios and code combinations that are mandated under HIPAA law. CAQH defined the MAX set of code combinations that can be use for only 4 business scenarios

    ▶ If your code message does not fall into one of those 4 business scenarios – then you are free to use any of the code combinations that are available within the TR2 or any of these lists.

Where do I find these codes?

▶ CARC and RARC codes can be found at WPC-EDI.com/Reference

▶ Group Codes are found in the TR3 or the TR2. These codes change very rarely and as such are embedded in the guides themselves.

▶ NCPDP codes

▶ http://www.ncpdp.org/Resources/Guidance-Documents

▶ CAQH CORE combinations for their 4 business scenarios

▶ http://www.caqh.org/core/ongoing-maintenance-core-code-combinations-caqh-core-360-rule

CAQH business scenarios

▶ What are the 4 CAQH business scenarios?

- ▶ Business Scenario #1: Additional Information Required – Missing/Invalid/Incomplete Documentation
- ▶ Business Scenario #2: Additional Information Required – Missing/Invalid/Incomplete Data from Submitted Claim
- ▶ Business Scenario #3: Billed Service Not Covered by Health Plan
- ▶ Business Scenario #4: Benefit for Billed Service Not Separately Payable

▶ What if my adjustment is not in one of these scenarios?

- ▶ If the meaning of your adjustment does not fall into one of the above business scenarios you are free to use any codes or combination of codes that you wish.

▶ What if I think another code fits what I need it IS in one of those scenarios but CAQH does not have it listed?

- ▶ Then you cannot use that code – CAQH sets the Maximum every code combination that is available to be used when those scenarios apply to the adjustment.
- ▶ You can submit a request for CAQH to consider adding the code you want to use but in the mean time you will have to use another set of code combinations while you wait.

CAQH Business scenarios

▶ What if I requested a new CARC code and it fits into the CAQH business scenario but it is new and CAQH has not reviewed it yet?

- ▶ CAQH CORE 360 Rule enables immediate use by the industry of new codes added to the code lists since the last adjustments to the *CORE-required Code Combinations for CORE-defined Business Scenarios*

▶ What if I requested a new RARC code and it fits into the CAQH business scenario but it is new and CAQH has not reviewed it yet?

- ▶ CAQH CORE 360 Rule enables immediate use by the industry of new codes added to the code lists since the last adjustments to the *CORE-required Code Combinations for CORE-defined Business Scenarios*

What if I cannot find a matching combination for my internal code

▶ REQUEST a CODE!!!

▶ There is a maintenance process for these codes and a well defined industry process for requesting codes

▶ WPC-EDI.com

Before requesting a code you might want to talk to a committee member who can offer guidance - go into FAQs and find a member that represents your sector of the industry
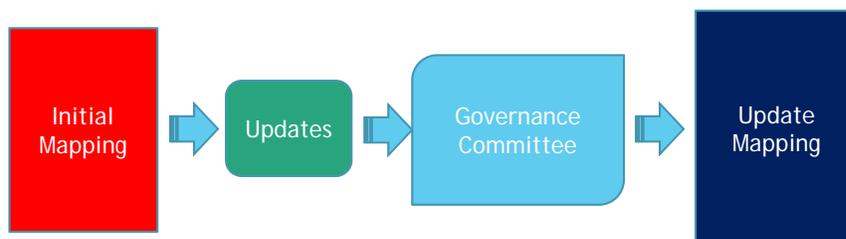

When are these codes updated?

▶ CARC codes requests are reviewed 3 times per year the Sunday before the ASC X12 Trimester meetings. These occur January June and September the outcome of the meetings are published roughly 30 days after the meeting.

▶ The RARC committee is a close committee of CMS representatives these requests are also published 3 times per year around the same time as the CARC codes but the committee meets monthly and the codes could be adjudicated (decided upon) anytime between the publishing

▶ Group codes – These rarely change if they were to change it would have to be with a new version of the TR3 since they are written into the guide itself.

How do I create a governance process?

- Identify the people that need to be on the internal committee you will create.
  - These people will be policy, Legal, Bi lingual, claims, Remittance staff
- Set up meetings for 3 times per year suggestion March, August, November by then the CARC and RARC codes updates should be published on WPC-EDI
  - You may consider purchasing the change transaction for WPC-EDI that will explain all the changes to these lists: modifications/ adds/deletes
  - You will want to also pull any changes that CAQH may have made and include them in your review.
- Review the changed items against your mapping – make sure that any language changes to not change your use of the code.
- Review new codes for better matching to code you may have already mapped
- Deleted codes you must find new mappings for those (see the deactivation date-usually 6 mo)
  - Use the TR2 to find new mappings – refer to it for guidance

Lifecycle of Code mapping

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[Initial Mapping] → [Updates] → [Governance Committee] → [Update Mapping]
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3 Times per year
WPC-EDI offers a
subscription service to
provide all the changes

Key facts

▶ There are lots of code combinations to choose from, the Operating Rules only limit the code combination use when the code fits into one of those 4 scenarios – Any other business scenario can you can use any CARC /RARC pair

▶ The TR2 is the encyclopedia of all the code combinations and will help you map your codes quicker and to better combinations.

▶ If you don't find a code combination that fits your needs you can request a code.

▶ If you think a code belongs in a CAQH scenario you can request it to be added

▶ Keeping up on the changing of codes will save you time in the long run

Thank you!!