Medicare Learning Network
MLN Matters®
CMS
Information for Medicare Fee-For-Service Health Care Professionals

News Flash – ICD-10 Medicare Severity Diagnosis Related Grouper (MS-DRG), Version 30.0 (FY 2013) mainframe and PC software is now available. This software is being provided to offer the public a better opportunity to review and comment on the ICD-10 MS-DRG conversion of the MS-DRGs. This software can be ordered through the National Technical Information Service (NTIS) website. A link to NTIS is also available in the Related Links section of the ICD-10 MS-DRG Conversion Project website. The final version of the ICD-10 MS-DRGs will be subject to formal rulemaking and will be implemented on October 1, 2014.

MLN Matters® Number: MM7089
Related Change Request (CR) #: 7089
Related CR Release Date: August 6, 2010
Effective Date: October 1, 2010
Related CR Transmittal #: R2019CP
Implementation Date: October 4, 2010

Note: This article was revised on March 22, 2013, with an updated ICD-10 News Flash. This article was previously updated on December 10, 2012, to reflect current Web addresses. This article was previously revised on February 11, 2011, to add a reference to MLN Matters® article MM7218, which is available at http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/downloads/MM7218.pdf , to alert providers that effective July 1, 2001, the MREP software is being modified to be compatible with Microsoft Windows 7, Vista, and XP operating systems. All other information is unchanged

Claim Adjustment Reason Code (CARC), Remittance Advice Remark Code (RARC), and Medicare Remit Easy Print (MREP) Update

Provider Types Affected

This article is for physicians, providers, and suppliers who submit claims to Medicare contractors (carriers, Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs), Medicare Administrative Contractors (MACs), Durable Medical Equipment Medicare Administrative Contractors (DME MACs)) for services.

Provider Action Needed

CR 7089, from which this article is taken, announces the latest update of Remittance Advice Remark Codes (RARCs) and Claim Adjustment Reason Codes (CARCs), effective October 1, 2010, for Medicare. These are the changes that have been added since CR 6901. Be sure billing staff are aware of these changes.

Background

The reason and remark code sets must be used to report payment adjustments in remittance advice transactions. The reason codes are also used in some coordination-of-benefits (COB) transactions. The RARC list is maintained by the Centers for Medicare & Medicaid Services (CMS), and used by all payers; and additions, deactivations, and modifications to it may be initiated by any health care organization. The RARC list is updated 3 times a year – in early March, July, and November although the Committee meets every month.

The CARC list is maintained by the Claim Adjustment Status Code Maintenance Committee, and used by all payers. This committee meets 3 times a year, and this code list also gets updated 3 times a year – in early March, July and November. Both code lists are posted at *http://www.wpc-edi.com/Codes* on the Internet. The lists at the end of this article summarize the latest changes to these lists, as announced in CR 7089.

Additional Information

To see the official instruction (CR7089) issued to your Medicare Carrier, RHHI, DME/MAC, FI and/or MAC refer to http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R2019CP.pdf on the CMS website.

If you have questions, please contact your Medicare Carrier, RHHI, DME/MAC, FI and/or MAC at their toll-free number which may be found at http://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/provider-compliance-interactive-map/index.html on the CMS website.

New Codes - CARC

Code	Current Narrative	Effective Date Per WPC Posting
235	Sales Tax.	6/6/2010

Modified Codes - CARC

None

Deactivated Codes - CARC

None

New Codes - RARC

Code	Current Narrative	Medicare Initiated
N533	Services performed in an Indian Health Services facility under a self-insured tribal Group Health Plan.	NO
N534	This is an individual policy, the employer does not participate in plan sponsorship.	NO
N535	Payment is adjusted when procedure is performed in this place of service based on the submitted procedure code and place of service.	YES
N536	We are not changing the prior payer's determination of patient responsibility, which you may collect, as this service is not covered by us.	NO
N537	We have examined claims history and no records of the services have been found.	NO
N538	A facility is responsible for payment to outside providers who furnish these services/supplies/drugs to its patients/residents.	NO
N539	Alert: We processed appeals/waiver requests on your behalf and that request has been denied.	NO

Modified Codes – RARC

Code	Modified Narrative	Medicare Initiated
N104	This claim/service is not payable under our claims jurisdiction area. You can identify the correct Medicare contractor to process this claim/service	YES

Code	Modified Narrative	Medicare Initiated
	through the CMS website at www.cms.gov.	
N115	This decision was based on a Local Coverage Determination (LCD). An LCD provides a guide to assist in determining whether a particular item or service is covered. A copy of this policy is available at www.cms.gov/mcd, or if you do not have web access, you may contact the contractor to request a copy of the LCD.	YES
N386	This decision was based on a National Coverage Determination (NCD). An NCD provides a coverage determination as to whether a particular item or service is covered. A copy of this policy is available at www.cms.gov/mcd/search.asp. If you do not have web access, you may contact the contractor to request a copy of the NCD.	YES
N528	Patient is entitled to benefits for Institutional Services only.	NO
N529	Patient is entitled to benefits for Professional Services only.	NO
N530	Not Qualified for Recovery based on enrollment information.	NO

Deactivated Codes – RARC

Code	Current Narrative	Note
M118	Letter to follow containing further information.	Consider using N202
MA101	A Skilled Nursing Facility (SNF) is responsible for payment of outside providers who furnish these services/supplies to residents.	Consider using N538
N201	A mental health facility is responsible for payment of outside providers who furnish these services/supplies to residents.	Consider using N538
N514	Consult plan benefit documents/guidelines for information about restrictions for this service.	Consider using N130