



## **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 Health Care (CAQH) CORE**

MLN Matters Number: MM12302

Related Change Request (CR) Number: 13202

Related CR Release Date: July 13, 2021

Effective Date: October 1, 2021

Related CR Transmittal Number: R10847CP

Implementation Date: October 4, 2021

### **Provider Types Affected**

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This MLN Matters Article is for physicians, providers, and suppliers submitting claims to Medicare Administrative Contractors (MACs) for services for Medicare patients.

### **Provider Action Needed**

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This Article tells you about Medicare system updates based on the CORE 360 Uniform use of CARC, RARC, and CAGC rule publications. Please make sure your billing staff is aware of these updates.

### **Background**

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HHS adopted the Phase III CAQH CORE, EFT and ERA Operating Rule Set implemented on January 1, 2014, under the Patient Protection sections in [45 Code of Federal Regulations \(CFR\) 162.1601-162.1603](#) and [Section 1104 of 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](#). Part C requires the HHS Secretary to adopt standards for certain transactions to enable health the exchange of information to be more efficient and to achieve greater uniformity in the transmission of health information.

CR 12302 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 was to publish the next version of the Code Combination List on or about June 1, 2021. This is based on the CARC and RARC updates on the official [ASC X12](#) website on or about November 1, 2020. This will also include updates based on the market-based review that CAQH CORE conducts once every 2 years to accommodate code combinations that Medicare and other health plans are now using, as the industry requires.

See the official [ASC X12](#) website for CARC and RARC updates, as well as [CAQH CORE-defined code combination update](#) which is an Excel® file containing the CAQH CORE defined code combination updates.

## More Information

We issued [CR 12302](#) to your MAC as the official instruction for this change.

For more information, contact your [MAC](#).

## Document History

Date of Change	Description
July 14, 2021	First article released.

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