

CAQH Committee on Operating Rules for Information Exchange (CORE)
CAQH CORE Code Combinations Maintenance Task Group
Draft Impact Analysis: Potential Compliance-based Adjustments to the
CORE-required Code Combinations for CORE-defined Business Scenarios (June 2012 v3.0.0)
For Discussion Only

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1 Executive Summary

1.1 Background

In August 2012 the Centers for Medicare and Medicaid Services (CMS) issued an [Interim Final Rule](#) with comment period (IFC) – Administrative Simplification: Adoption of Operating Rules for Health Care Electronic Funds Transfers (EFT) and Remittance Advice Transactions – which adopts the Phase III CAQH CORE EFT & ERA Operating Rule Set, including [CAQH CORE Rule 360: Uniform Use of CARCs and RARCs \(835\)](#). CAQH CORE Rule 360 enables more uniform use of the CARC and RARC codes by targeting a *minimum* set of common problematic Business Scenarios with a *maximum* specified set of code combinations for each Business Scenario. This set of [CORE-required Code Combinations for the CORE-defined Business Scenarios](#) must be maintained to align with the current, published CARC and RARC lists that are maintained by the respective Code Maintenance Committees¹.

Two types of adjustments² to the [CORE-required Code Combinations for the CORE-defined Business Scenarios](#) are included in the CAQH CORE Code Combinations Maintenance Process:

- **Compliance-based Adjustments**: Published updates including deactivations, modifications and additions to the CARCs and RARCs list by the code authors must be reviewed to ensure alignment between the [CORE-required Code Combinations for the CORE-defined Business Scenarios](#) and the published code lists³; Compliance-based Reviews occur three times per year per the CAQH CORE Code Combinations Maintenance Process
- **Market-based Adjustments**: The industry may identify new business needs for additional CORE-required Code Combinations and/or CORE-defined Business Scenarios; Market-based Reviews occur once per year per the CAQH CORE Code Combinations Maintenance Process

This document outlines a ***Compliance-based Review*** of the *June 2012 v3.0.0* [CORE-required Code Combinations for the CORE-defined Business Scenarios](#) and recommends Compliance-based Adjustments to the CORE Code Combinations as part of the CAQH CORE Code Combinations Maintenance Process. To ensure alignment with published code lists, a Compliance-based Review *only* considers additions⁴, deactivations, or modifications to a CARC or a RARC included in the CORE-required Code Combinations by the code authors⁵ published since the last adjustments to the [CORE-required Code Combinations for the CORE-defined Business Scenarios](#) via the CAQH CORE Code Combinations Maintenance Process as required by the CAQH CORE Rule 360. CARC and RARC additions will be considered as candidates for inclusion in the CORE-required Code Combinations for the existing CORE-defined Business Scenarios.

Per CMS OESS, Compliance-based Adjustments will be immediately recognized under HIPAA given the CAQH CORE Rule 360 requires that updates to the published code lists by the Code Maintenance Committees be addressed.

¹ Claim Adjustment Status Code Maintenance Committee and Remittance Advice Remark Code Committee (<http://www.wpc-edi.com/reference/>)

² For the purposes of this Task Group, the term “adjustment” will be used to describe any changes to the [CORE-required Code Combinations for the CORE-defined Business Scenarios](#) and the term “update” will be used to describe any changes to the published code lists.

³ “Published Code List” refers to the master CARC or RARC list as published.

⁴ Includes only new CARC or RARC added to the published code list since the publication of the last version of the [CORE-required Code Combinations for the CORE-defined Business Scenarios](#); does not include a CARC or a RARC that existed in the published list at the time of the last adjustments to the [CORE-required Code Combinations for the CORE-defined Business Scenarios](#)

⁵ Updates to the CARC and RARC code lists typically occur within one month of the Codes Committee Meeting at the ASC X12 Standing Meetings currently occurring three times per year.

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1.2 Scope of Potential Compliance-Based Adjustments

The June 2012 Version 3.0.0 of the [CORE-required Code Combinations for the CORE-defined Business Scenarios](#) was developed based on the CARC and RARC lists as of June 2011⁶. The table below summarizes both the total number of CARCs and RARCs published as of November 1, 2012 and the number of CARCs and RARCs included in the June 2012 v3.0.0 of the [CORE-required Code Combinations for the CORE-defined Business Scenarios](#).

Table 1: Total CARC and RARC Codes as of December 2012

As of December 2012	# CARCs	# RARCs
Total # of Codes in November 1, 2012 Published CARC and RARC Lists	314	844
# of Codes in the June 2012 v3.0.0 CORE-required Code Combinations for the CORE-defined Business Scenarios	134	527

There are three types of CARC and RARC list updates that could impact the [CORE-required Code Combinations for the CORE-defined Business Scenarios](#): deactivations, modifications, and additions (new codes) to either list. The table below summarizes the potential scope of updates from the Claim Adjustment Status Code Maintenance and Remittance Advice Remark Code Committees (hereafter referred to as Code Maintenance Committees) to the published CARC and RARC lists on the [CORE-required Code Combinations for the CORE-defined Business Scenarios](#) since June 2011.

Table 2: Scope of December 2012 Compliance-Based Adjustments to CORE-required Code Combinations by CORE-defined Business Scenario

Potential Scope of December 2012 Compliance-Based Adjustments to the June 2012 v3.0.0 CORE-required Code Combinations by CORE-defined Business Scenario							
CORE-defined Business Scenario #	CORE-required Code Combinations by CORE-defined Business Scenario	# Deactivations From 6/2011 – 11/1/2012		# Modifications From 6/2011 – 11/1/2012		# New Codes From 6/2011 – 11/1/2012	
		CARCs	RARCs	CARCs	RARCs*	CARCs	RARCs
1	Additional Information Required – Missing/Invalid/Incomplete Documentation	0	0	0	2	Requires Task Group Discussion	
2	Additional Information Required – Missing/Invalid/Incomplete Data from Submitted Claim	0	0	2	0		
3	Billed Service Not Covered by Health Plan	1	0	3	2		
4	Benefit for Billed Service Not Separately Payable	0	0	0	0		
Total		1	0	5	3	21	17

*Note: Count is higher than actual number of new RARCs given a RARC can be included in multiple CORE Code Combinations.

⁶ While the published version of CORE-required Code Combinations for the CORE-defined Business Scenarios is dated June 2012, code combination development was based on the effective lists as of June 2011

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1.3 Summary of Recommended Compliance-based Adjustments

Changes to the published code lists since June 2011 will have limited impacted on the June 2012 v3.0.0 [CORE-required Code Combinations for the CORE-defined Business Scenarios](#). To assist the Task Group in their review, CAQH CORE staff has developed a *DRAFT January 2013 v3.0.1 CORE-required Code Combinations for the CORE-defined Business Scenarios* based on the below recommendations; this draft highlights all the changes in the tables below. Click [HERE](#) to view the draft.

Tables 3 & 4: Summary of Recommended Compliance-based Adjustments to CORE-required Code Combinations by CORE-defined Business Scenario

Potential Compliance-based Adjustments to June 2012 v3.0.0 CORE-required Code Combinations List			
Reason for Compliance Based Adjustment:	Published Code List Deactivations and Modifications From 6/2011 – 11/1/2012	Published Code List Additions From 6/2011 – 11/1/2012	Alignment with CAQH CORE Evaluation Criteria
Potential impact on CORE Code Combinations:	<ul style="list-style-type: none"> • 1 CARC removed • 0 RARCs removed • 5 CARC descriptions modified • 3 RARC descriptions modified 	<ul style="list-style-type: none"> • 6 CARCs to consider for addition • 9 RARCs to consider for addition 	<ul style="list-style-type: none"> • 2 duplicate CARCs removed • 2 deactivated CARCs removed • 5 deactivated RARCs removed • 9 Alert RARCs removed



# Codes Recommended for Addition* to the CORE-required Code Combinations			
CORE-defined Business Scenario #	CORE-required Code Combinations by CORE-defined Business Scenario	CARCs (21 total new CARCs)	RARCs (17 total new RARCs)
1	Additional Information Required – Missing/Invalid/Incomplete Documentation	3	3
2	Additional Information Required – Missing/Invalid/Incomplete Data from Submitted Claim	1	2
3	Billed Service Not Covered by Health Plan	2	4
4	Benefit for Billed Service Not Separately Payable	0	0
Total		6 of 21	9 of 17

*Only new CARCs or RARCs that meet the definitions of the CORE-defined Business Scenarios are recommended for addition.

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2 Compliance-Based Review Process

2.1 Evaluation Criteria

A set of objective criteria was developed by CORE Participants during EFT & ERA rule development for evaluating submitted code combinations for inclusion in the CORE-required Code Combinations based on the CAQH CORE Guiding Principles. The criteria were used for development of draft recommendations for this Compliance-based Review of the *June 2012 v3.0.0 [CORE-required Code Combinations for the CORE-defined Business Scenarios](#)*.

REMINDER: The [CORE-required Code Combinations for the CORE-defined Business Scenarios](#) states that “*Consistent with the v5010 X12 835 or the CARC definition itself, not all CARCs require a RARC. Therefore, any CARC in the CORE-required Code Combination tables may be used without the corresponding RARC, except for CARCs that require RARCs as specified by the v5010 X12 835 or the CARC definition itself.*”

Table 4: CORE Code Combination Evaluation Criteria

#	Evaluation Criteria
1	Definition of CARC must be consistent with the associated CORE-defined Business Scenario description.
2	Each CARC must be used with only one CORE-defined Business Scenario.
3	Any RARC paired with a given CARC must be consistent with the definition of the CARC and associated CORE-defined Business Scenario description.
4	No RARC will be added to the CORE-defined Business Scenarios without a corresponding CARC.
5	The same RARC can be used with multiple CARCs and Business Scenarios.
6	When a CARC description requires a corresponding RARC, a RARC must be identified and included in the Code Combination.
7	A CARC containing a Deactivation Date must be removed from CORE-required Code Combinations.
8	A RARC containing a Deactivation Date must be removed from CORE-required Code Combinations.
9	A CORE-required Code Combination containing a modified CARC will only be retained if the modified definition is consistent with the description of the CORE-defined Business Scenario.
10	A CORE-required Code Combination containing a modified RARC paired with a given CARC will only be retained if the modified definition is consistent with the associated CARC and CORE-defined Business Scenario.
11	If a CARC and/or CARC/RARC combination is not paired with a CAGC, all appropriate CAGCs will be included.
12	All CORE-required Code Combinations must align with the applicable standards and published code lists, e.g.: <ul style="list-style-type: none"> Alert RARCs will not be included in the CORE-required Code Combinations given they are not paired with CARCs.

Given the above evaluation criteria, adjustments must be made to the *June 2012 v3.0.0 [CORE-required Code Combinations for the CORE-defined Business Scenarios](#)* to ensure alignment. See Section D of Appendix for a detailed analysis.

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2.2 Key Steps for Compliance-based Review by Published Code List Update Type

The table below outlines the key steps used to conduct this Compliance-based Review of the [CORE-required Code Combinations for the CORE-defined Business Scenarios](#) by each type of published code list update based on the applicable evaluation criteria outlined in Section 2.1. New CARCs and RARCs will be individually considered via straw poll as they would constitute a new CORE Code Combination.

Table 5: Key Steps for Compliance-based Review by Published Code List Update Type

Impact on CORE-required Code Combinations	Applicable Evaluation Criteria	Recommended Methodology for Compliance-based Analysis	Requires Task Group Analysis
Published Code List Deactivations 6/2011 – 11/1/2012			
<u>1</u> deactivated CARC	<ul style="list-style-type: none"> A CARC containing a Deactivation Date must be removed from CORE-required Code Combinations 	Step 1: Remove deactivated CARC Step 2: Remove all associated RARC(s)	No
<u>0</u> deactivated RARCs	<ul style="list-style-type: none"> A RARC containing a Deactivation Date must be removed from CORE-required Code Combinations 	Step 1: Remove deactivated RARC from the CORE Code Combination	No
Published Code List Modifications 6/2011 – 11/1/2012			
<u>5</u> modified CARCs	<ul style="list-style-type: none"> A CORE-required Code Combination containing a modified CARC will only be retained if the modified definition is consistent with the description of the CORE-defined Business Scenario 	Step 1: Determine if modification meets the definition of the Business Scenario: <ul style="list-style-type: none"> If Yes: Apply the modified CARC <i>description</i> If No: Remove the modified CARC Step 2: Determine if associated RARC(s) still meet the modified CARC description: <ul style="list-style-type: none"> If Yes: Retain the associated RARC(s) with the CARC If No: Remove the associated RARC(s) 	No
<u>3</u> modified RARCs	<ul style="list-style-type: none"> A CORE-required Code Combination containing a modified RARC paired with a given CARC will only be retained if the modified definition is consistent with the associated CARC and CORE-defined Business Scenario 	Step 1: Determine if modification meets the definition of the associated CARC and Business Scenario: <ul style="list-style-type: none"> If Yes: Apply the modified RARC <i>description</i> If No: Remove the modified RARC 	No
Published Code List Additions 6/2011 – 11/1/2012			
<u>6</u> new CARCs for consideration	<ul style="list-style-type: none"> Each CARC must be used with only one CORE-defined Business Scenario Definition of CARC must be consistent with the associated CORE-defined Business Scenario description When a CARC description requires a corresponding RARC, a RARC must be identified and included in the Code Combination 	Step 1: Determine if the CARC meets the definition of an existing CORE-defined Business Scenario <ul style="list-style-type: none"> If Yes: Straw poll for potential addition to existing CORE-defined Business Scenario <ul style="list-style-type: none"> Identify potential associated RARCs on straw poll If No: Do not add 	Yes
<u>2</u> new RARCs for consideration	<ul style="list-style-type: none"> Any RARC paired with a given CARC must be consistent with the definition of the CARC and associated CORE-defined Business Scenario description No RARC will be added to the CORE-defined Business Scenarios without a corresponding CARC The same RARC can be used with multiple CARCs and Business Scenarios. 	Step 1: Determine if new RARC is an ALERT <ul style="list-style-type: none"> If Yes: Do not add If No: Proceed to Step 2 Step 2: Determine if the RARC is consistent with the definition of an existing CARC in an existing CORE-defined Business Scenario <ul style="list-style-type: none"> If Yes: Straw poll for potential addition to existing CARC in an existing CORE-defined Business Scenario If No: Do not add 	Yes

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3 Findings and Recommendations for Task Group Consideration

The table below summarizes at a high-level the overall potential impact of the Compliance-based Review outlined in Section 2.2 and includes recommendations for Compliance-based Adjustments to the *June 2012 v3.0.0 [CORE-required Code Combinations for the CORE-defined Business Scenarios](#)*. The Appendix includes more detailed breakdowns of this analysis by published code list update type.

Table 6: Summary of Recommended *Compliance-based Adjustments* to Align with Code List Updates

Summary of Potential <i>Compliance-based Adjustments</i> to Align with Code List Updates				
CORE-defined Business Scenario		Impact of Published Code List Deactivations From 6/2011 – 11/1/2012	Impact of Published Code List Modifications From 6/2011 – 11/1/2012	Impact of Published Code List Additions From 6/2011 – 11/1/2012
1	Additional Information Required – Missing/Invalid/Incomplete Documentation	<ul style="list-style-type: none"> • 0 CARCs removed • 0 RARCs removed 	<ul style="list-style-type: none"> • 0 CARC descriptions modified • 2 RARC descriptions modified 	<ul style="list-style-type: none"> • 3 CARCs to consider for addition • 3 RARCs to consider for addition
2	Additional Information Required – Missing/Invalid/Incomplete Data from Submitted Claim	<ul style="list-style-type: none"> • 0 CARCs removed • 0 RARCs removed 	<ul style="list-style-type: none"> • 2 CARC descriptions modified • 0 RARC descriptions modified 	<ul style="list-style-type: none"> • 1 CARCs to consider for addition • 2 RARCs to consider for addition
3	Billed Service Not Covered by Health Plan	<ul style="list-style-type: none"> • 1 CARC removed • 0 RARCs removed 	<ul style="list-style-type: none"> • 3 CARC descriptions modified • 2 RARC descriptions modified 	<ul style="list-style-type: none"> • 2 CARCs to consider for addition • 4 RARCs to consider for addition
4	Benefit for Billed Service Not Separately Payable	<ul style="list-style-type: none"> • 0 CARCs removed • 0 RARCs removed 	<ul style="list-style-type: none"> • 0 CARC descriptions modified • 0 RARC descriptions modified 	<ul style="list-style-type: none"> • 0 CARCs to consider for addition • 0 RARCs to consider for addition
Total		<ul style="list-style-type: none"> • 1 CARC removed • 0 RARCs removed 	<ul style="list-style-type: none"> • 5 CARC descriptions modified • 3 RARC descriptions modified* 	<ul style="list-style-type: none"> • 6 CARCs to consider for addition • 9 RARCs to consider for addition <p><i>(Additions will be considered individually via straw poll)</i></p>

*Note: Count is lower than actual number given a RARC can be included in multiple CORE Code Combinations.

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During initial development of June 2012 v3.0.0 [CORE-required Code Combinations for the CORE-defined Business Scenarios](#) a few code combinations were submitted based on market usage and included in the CORE Code Combination list, however, these codes were not in compliance. Therefore these additional adjustments will be included in the Compliance-based Adjustment.

Table 7: Summary of Recommended *Compliance-based Adjustments* to Align with Evaluation Criteria

Summary of Potential <i>Compliance-based Adjustments</i> to Align with Evaluation Criteria by CORE-defined Business Scenario	
Applicable Evaluation Criteria	Potential Compliance-based Adjustment
#1: Each CARC must be used with only one CORE-defined Business Scenario.	<ul style="list-style-type: none"> • 1 CARC removed
#2: Definition of CARC must be consistent with the associated CORE-defined Business Scenario description.	<ul style="list-style-type: none"> • 1 CARC removed
#7: A CARC containing a Deactivation Date must be removed from CORE-required Code Combinations.	<ul style="list-style-type: none"> • 2 CARCs removed due to deactivation prior to June 2011
#8: A RARC containing a Deactivation Date must be removed from CORE-required Code Combinations.	<ul style="list-style-type: none"> • 5 RARCs removed due to deactivation prior to June 2011
#12: All CORE-required Code Combinations must align with the applicable standards and published code lists, e.g.: <ul style="list-style-type: none"> • Alert RARCs will not be included in the CORE-required Code Combinations given they are not paired with CARCs. 	<ul style="list-style-type: none"> • 9 Alert RARCs removed⁷

4 Next Steps

Listed below are the key next steps for the CAQH CORE Code Combinations Maintenance Task Group:

- Document Task Group discussion on potential Compliance-based Adjustments to the [CORE-required Code Combinations for the CORE-defined Business Scenarios](#)
- If needed, based on today's discussion CAQH CORE staff will adjust the [CORE-required Code Combinations for the CORE-defined Business Scenarios](#) for the potential adjustments
- Complete a Task Group straw poll of potential Compliance-based Adjustments to the [CORE-required Code Combinations for the CORE-defined Business Scenarios](#)

⁷ The published RARC Code List [HERE](#) states that Alert RARCs "are used to convey information about remittance processing and are never related to a specific adjustment or CARC".

Appendix

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A. Detailed Analysis of CARC & RARC Deactivations

The table below details the analysis and recommendations for adjustments to the *June 2012 v3.0.0* [CORE-required Code Combinations for the CORE-defined Business Scenarios](#). One CARC was deactivated in the published code list since June 2011 and thus removed from the CORE-required Code Combinations.

Table A: CARC Deactivation Analysis for CORE Code Combinations

CORE-defined Business Scenario #	Step 1: Remove deactivated CARC		Step 2: Remove associated RARCs	
	CARC #	CARC Description	Associated RARC(s)	Associated RARC Definition
3	38	Services not provided or authorized by designated (network/primary care) providers.	M115	This item is denied when provided to this patient by a non-contract or non-demonstration supplier.
			N95	This provider type/provider specialty may not bill this service.
			N130	Consult plan benefit documents/guidelines for information about restrictions for this service.
			N450	Covered only when performed by the primary treating physician or the designee.

No RARCs used in the June 2012 v3.0.0 [CORE-required Code Combinations for the CORE-defined Business Scenarios](#) were deactivated between June 2011 and December 2012.

B. Detailed Analysis of CARC & RARC Modifications

The table below details the analysis and recommendations for adjustments to the *June 2012 v3.0.0* [CORE-required Code Combinations for the CORE-defined Business Scenarios](#) for CARCs that have been modified in the published code list since June 2011. No CARCs or associated RARCs were removed based on the modified CARC description.

Table B: CARC Modification Analysis for CORE Code Combinations

CORE-defined Business Scenario #	Step 1: Determine if modification meets the definition of the Business Scenario				Step 2: Determine if associated RARC(s) still meet the modified CARC description		
	CARC #	Previous CARC Description	Modified CARC Description	<ul style="list-style-type: none"> If Yes: Apply the modified CARC description If No: Remove the modified CARC 	Associated RARC(s)	Associated RARC Definition	<ul style="list-style-type: none"> If Yes: Retain the associated RARC(s) with the CARC If No: Remove the associated RARC(s)
2	18	Duplicate claim/service.	Exact duplicate claim/service (Use only with Group Code OA)	Yes; adjust to pair with only CAGC OA	N522	Duplicate of a claim processed, or to be processed, as a crossover claim.	Yes
3	23	The impact of prior payer(s) adjudication including payments and/or adjustments.	The impact of prior payer(s) adjudication including payments and/or adjustments. (Use only with Group Code OA)	Yes; adjust to pair with only CAGC OA	N/A	N/A	N/A

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CORE-defined Business Scenario #	Step 1: Determine if modification meets the definition of the Business Scenario				Step 2: Determine if associated RARC(s) still meet the modified CARC description		
	CARC #	Previous CARC Description	Modified CARC Description	<ul style="list-style-type: none"> If Yes: Apply the modified CARC description If No: Remove the modified CARC 	Associated RARC(s)	Associated RARC Definition	<ul style="list-style-type: none"> If Yes: Retain the associated RARC(s) with the CARC If No: Remove the associated RARC(s)
3	109	Claim not covered by this payer/contractor. You must send the claim to the correct payer/contractor.	Claim/service not covered by this payer/contractor. You must send the claim/service to the correct payer/contractor.	Yes	N36	Claim must meet primary payer's processing requirements before we can consider payment.	Yes
					N130	Consult plan benefit documents/guidelines for information about restrictions for this service.	Yes
					N193	Specific Federal/state/local program may cover this service through another payer.	Yes
					N216	We do not offer coverage for this type of service or the patient is not enrolled in this portion of our benefit package	Yes
					N381	Consult our contractual agreement for restrictions/billing/payment information related to these charges.	Yes
					N418	Misrouted claim. See the payer's claim submission instructions.	Yes
					N448	This drug/service/supply is not included in the fee schedule or contracted/legislated fee arrangement.	Yes
3	173	Service was not prescribed by a physician.	Service/equipment was not prescribed by a physician.	Yes	N/A	N/A	N/A
2	236	This procedure or procedure/modifier combination is not compatible with another procedure or procedure/modifier combination provided on the same day according to the National Correct Coding Initiative.	This procedure or procedure/modifier combination is not compatible with another procedure or procedure/modifier combination provided on the same day according to the National Correct Coding Initiative or workers compensation state regulations/ fee schedule requirements.	Yes	N/A	N/A	N/A

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The table below details the analysis and recommendations for adjustments to the *June 2012 v3.0.0* [CORE-required Code Combinations for the CORE-defined Business Scenarios](#) for RARCs that have been modified in the published code list since June 2011. No RARCs were removed based on the modified RARC description.

Table C: RARC Modification Analysis for CORE Code Combinations

CORE-defined Business Scenario #	Step 1: Determine if modification meets the definition of the associated CARC and Business Scenario			
	Modified RARC #	Previous RARC Description	Modified RARC Description	<ul style="list-style-type: none"> • If Yes: Apply the modified RARC description • If No: Remove the modified RARC
1	N4	Missing/incomplete/invalid prior insurance carrier EOB	Missing/Incomplete/Invalid prior Insurance Carrier(s) EOB.	Yes
3	N103	Social Security records indicate that this patient was a prisoner when the service was rendered. This payer does not cover items and services furnished to an individual while they are in State or local custody under a penal authority, unless under State or local law, the individual is personally liable for the cost of his or her health care while incarcerated and the State or local government pursues such debt in the same way and with the same vigor as any other debt.	Social Security records indicate that this patient was a prisoner when the service was rendered. This payer does not cover items and services furnished to an individual while he or she is in a Federal facility, or while he or she is in State or local custody under a penal authority, unless under State or local law, the individual is personally liable for the cost of his or her health care while incarcerated and the State or local government pursues such debt in the same way and with the same vigor as any other debt.	Yes
1, 3	N206	The supporting documentation does not match the claim.	The supporting documentation does not match the information sent on the claim.	Yes

C. Detailed Analysis of CARC & RARC Additions

The table below details the analysis and recommendations for adjustments to the *June 2012 v3.0.0* [CORE-required Code Combinations for the CORE-defined Business Scenarios](#) based on CARCs that have been added to the published code list since June 2011. Of the 21 new CARCs, six are recommended for consideration as a potential addition to the CORE-required Code Combinations.

Table D: CARC Additions Analysis for CORE Code Combinations

Step 1: Determine if the CARC meet the definition of an existing CORE-defined Business Scenario		
New CARC #	CARC Definition	Recommended CORE-defined Business Scenario
Recommended for addition; to be straw polled		
240	The diagnosis is inconsistent with the patient's birth weight. Note: Refer to the 835 Healthcare Policy Identification Segment (loop 2110 Service Payment Information REF), if present.	#2: Missing/Invalid/Incomplete Data from Submitted Claim
242	Services not provided by network/primary care providers.	#3: Billed Service Not Covered by Health Plan
243	Services not authorized by network/primary care providers.	#3: Billed Service Not Covered by Health Plan
250	The attachment content received is inconsistent with the expected content.	#1: Additional Information Required – Missing/Invalid/Incomplete Documentation
251	The attachment content received did not contain the content required to process this claim or service.	#1: Additional Information Required – Missing/Invalid/Incomplete Documentation

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Step 1: Determine if the CARC meet the definition of an existing CORE-defined Business Scenario		
New CARC #	CARC Definition	Recommended CORE-defined Business Scenario
252	An attachment is required to adjudicate this claim/service. 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).	#1: Additional Information Required – Missing/Invalid/Incomplete Documentation
Not recommended for addition; does not meet definition of CORE-defined Business Scenarios		
237	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.)	N/A
238	Claim spans eligible and ineligible periods of coverage, this is the reduction for the ineligible period (use Group Code PR). This change effective 7/1/2013: Claim spans eligible and ineligible periods of coverage, this is the reduction for the ineligible period. (Use only with Group Code PR)	N/A
239	Claim spans eligible and ineligible periods of coverage. Rebill separate claims.	N/A
241	Low Income Subsidy (LIS) Co-payment Amount	N/A
244	Payment reduced to zero due to litigation. Additional information will be sent following the conclusion of litigation. To be used for Property & Casualty only.	N/A
245	Provider performance program withhold.	N/A
246	This non-payable code is for required reporting only.	N/A
247	Deductible for Professional service rendered in an Institutional setting and billed on an Institutional claim.	N/A
248	Coinsurance for Professional service rendered in an Institutional setting and billed on an Institutional claim.	N/A
249	This claim has been identified as a readmission. (Use only with Group Code CO)	N/A
W3	The Benefit for this Service is included in the payment/allowance for another service/procedure that has been performed on the same day. Note: Refer to the 835 Healthcare Policy Identification Segment (loop 2110 Service Payment Information REF), if present. For use by Property and Casualty only.	N/A
W4	Workers' Compensation Medical Treatment Guideline Adjustment.	N/A
Y1	Payment denied based on Medical Payments Coverage (MPC) or Personal Injury Protection (PIP) Benefits jurisdictional regulations or payment policies, use only if no other code is applicable. Note: If adjustment is at the Claim Level, the payer must send and the provider should refer to the 835 Insurance Policy Number Segment (Loop 2100 Other Claim Related Information REF qualifier 'IG') for the jurisdictional regulation. If adjustment is at the Line Level, the payer must send and the provider should refer to the 835 Healthcare Policy Identification Segment (loop 2110 Service Payment information REF). To be used for P&C Auto only.	N/A
Y2	Payment adjusted based on Medical Payments Coverage (MPC) or Personal Injury Protection (PIP) Benefits jurisdictional regulations or payment policies, use only if no other code is	N/A

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Step 1: Determine if the CARC meet the definition of an existing CORE-defined Business Scenario		
New CARC #	CARC Definition	Recommended CORE-defined Business Scenario
	applicable. Note: If adjustment is at the Claim Level, the payer must send and the provider should refer to the 835 Insurance Policy Number Segment (Loop 2100 Other Claim Related Information REF qualifier 'IG') for the jurisdictional regulation. If adjustment is at the Line Level, the payer must send and the provider should refer to the 835 Healthcare Policy Identification Segment (loop 2110 Service Payment information REF). To be used for P&C Auto only.	
Y3	Medical Payments Coverage (MPC) or Personal Injury Protection (PIP) Benefits jurisdictional fee schedule adjustment. Note: If adjustment is at the Claim Level, the payer must send and the provider should refer to the 835 Class of Contract Code Identification Segment (Loop 2100 Other Claim Related Information REF). If adjustment is at the Line Level, the payer must send and the provider should refer to the 835 Healthcare Policy Identification Segment (loop 2110 Service Payment information REF). To be used for P&C Auto only.	N/A

The table below details the analysis and recommendations for adjustments to the *June 2012 v3.0.0* [*CORE-required Code Combinations for the CORE-defined Business Scenarios*](#) based on RARCs that have been added to the published code list since June 2011. Of the 17 new RARCs, nine are recommended for consideration as a potential addition to the CORE-required Code Combinations.

Table E: RARC Additions Analysis for CORE Code Combinations

Step 1: Determine if new RARC is an ALERT			Step 2: Determine if the RARC is consistent with the definition of an existing CARC in an existing CORE-defined Business Scenario	
New RARC #	RARC Definition	<ul style="list-style-type: none"> • If Yes: Do not add • If No: Proceed to Step 2 	Recommended CORE-defined Business Scenario	Recommended CARC
Recommended for addition; to be straw polled				
N554	Missing/Incomplete/Invalid Family Planning Indicator	No	#2: Missing/Invalid/Incomplete Data from Submitted Claim	CARC 125
N555	Missing medication list.	No	#1: Additional Information Required – Missing/Invalid/Incomplete Documentation	CARC 16
N556	Incomplete/invalid medication list.	No	#1: Additional Information Required – Missing/Invalid/Incomplete Documentation	CARC 16
N557	This claim/service is not payable under our service area. The claim must be filed to the Payer/Plan in whose service area the specimen was collected.	No	#3: Billed Service Not Covered by Health Plan	CARC 96
N558	This claim/service is not payable under our service area. The claim must be filed to the Payer/Plan in whose service area the equipment was received.	No	#3: Billed Service Not Covered by Health Plan	CARC 96
N559	This claim/service is not payable under our service area. The claim must be	No	#3: Billed Service Not Covered by Health Plan	CARC 96

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Step 1: Determine if new RARC is an ALERT			Step 2: Determine if the RARC is consistent with the definition of an existing CARC in an existing CORE-defined Business Scenario	
New RARC #	RARC Definition	<ul style="list-style-type: none"> • If Yes: Do not add • If No: Proceed to Step 2 	Recommended CORE-defined Business Scenario	Recommended CARC
	filed to the Payer/Plan in whose service area the Ordering Physician is located.			
N562	The provider number of your incoming claim does not match the provider number on the processed Notice of Admission (NOA) for this bundled payment.	No	#2: Missing/Invalid/Incomplete Data from Submitted Claim	CARC 125
N563	Missing required provider/supplier issuance of advance patient notice of non-coverage. The patient is not liable for payment for this service.	No	#1: Additional Information Required – Missing/Invalid/Incomplete Documentation	CARC 16
N564	Patient did not meet the inclusion criteria for the demonstration project or pilot program.	No	#3: Billed Service Not Covered by Health Plan	CARC 96
Not recommended for addition; does not meet definition of CORE-defined Business Scenarios				
N545	Payment reduced based on status as an unsuccessful eprescriber per the Electronic Prescribing (eRx) Incentive Program.	No	N/A	N/A
N546	Payment represents a previous reduction based on the Electronic Prescribing (eRx) Incentive Program.	No	N/A	N/A
N547	A refund request (Frequency Type Code 8) was processed previously.	No	N/A	N/A
N551	Payment adjusted based on the Ambulatory Surgical Center (ASC) Quality Reporting Program.	No	N/A	N/A
N552	Payment adjusted to reverse a previous withhold/bonus amount.	No	N/A	N/A
N553	Payment adjusted based on a Low Income Subsidy (LIS) retroactive coverage or status change.	No	N/A	N/A
N560	The pilot program requires an interim or final claim within 60 days of the Notice of Admission. A claim was not received.	No	N/A	N/A
N561	The bundled claim originally submitted for this episode of care includes related readmissions. You may resubmit the original claim to receive a corrected payment based on this readmission.	No	N/A	N/A

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D. Additional Compliance-based Adjustments to Align with Evaluation Criteria

During initial development of June 2012 v3.0.0 [CORE-required Code Combinations for the CORE-defined Business Scenarios](#) a few code combinations were added that did not meet the evaluation criteria for inclusion. The table below highlights additional Compliance-based Adjustments to the June 2012 v3.0.0 [CORE-required Code Combinations for the CORE-defined Business Scenarios](#) necessary to align with the evaluation criteria.

Table F: Compliance-based Modifications to CORE Code Combinations to Align with CAQH CORE Evaluation Criteria

Applicable Evaluation Criteria	Impacted Code (s)	Issue	Recommended Action
#1: Each CARC must be used with only one CORE-defined Business Scenario.	CARC #197 – Precertification/authorization/notification absent.	CARC #197 is found in two CORE-defined Business Scenarios - #1 and #2	Retain CARC 197 in Business Scenario #1 as it is a standalone CARC (no RARCs) and aligns with the business scenario definition Remove CARC 197 from Business Scenario #2 as other code combinations within BS#2 provide for similar or the same reporting (e.g. CARC 125; RARC M62, etc.)
#2: Definition of CARC must be consistent with the associated CORE-defined Business Scenario description.	CARC #9 – The diagnosis is inconsistent with the patient's age. Note: Refer to the 835 Healthcare Policy Identification Segment (loop 2110 Service Payment Information REF), if present.	CARC #9 is found in two CORE-defined Business Scenarios - #2 and #3	Remove CARC #9 from Business Scenario #3: Billed Service Not Covered by Health Plan and associated RARC as it is not consistent with the Business Scenario definition.
#7: A CARC containing a Deactivation Date must be removed from CORE-required Code Combinations.	CARC #28 - Coverage not in effect at the time the service was provided.	Deactivated on 10/16/2003	Remove all deactivated CARCs from the CORE-required Code Combinations
	CARC #B19 - Claim/service adjusted because of the finding of a Review Organization.	Deactivated on 10/16/2003	
#8: A RARC containing a Deactivation Date must be removed from CORE-required Code Combinations.	RARC #M78 - Missing/incomplete/invalid HCPCS modifier.	Deactivated on 05/18/06	Remove all deactivated RARCs from the CORE-required Code Combinations
	RARC #MA38 - Missing/incomplete/invalid birth date.	Deactivated on 06/02/05	
	RARC #N66 - Missing/incomplete/invalid documentation.	Deactivated on 02/05/05	
	RARC #MA102 - Missing/incomplete/invalid name or provider identifier for the rendering/referring/ ordering/ supervising provider.	Deactivated on 08/01/04	
	RARC #M72 - Did not enter full 8-digit date (MM/DD/CCYY).	Deactivated on 10/16/03	
#12: All CORE-required Code Combinations must align with the applicable standards and published code lists, e.g.:	RARC #211 - Alert: You may not appeal this decision	Alert RARCs must not be used with a CARC ⁸	Remove all Alert RARCs from the CORE-required Code Combinations
	RARC #N210 - Alert: You may appeal this decision.		
	RARC #M16 - Alert: Please see our web site, mailings, or bulletins for more details concerning this policy/procedure/decision.		

⁸ The published RARC Code List [HERE](#) states that Alert RARCs “are used to convey information about remittance processing and are never related to a specific adjustment or CARC”.

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Applicable Evaluation Criteria	Impacted Code (s)	Issue	Recommended Action
<ul style="list-style-type: none"> Alert RARCs will not be included in the CORE-required Code Combinations given they are not paired with CARCs. 	RARC #M27 - Alert: The patient has been relieved of liability of payment of these items and services under the limitation of liability provision of the law. The provider is ultimately liable for the patient's waived charges, including any charges for coinsurance, since the items or services were not reasonable and necessary or constituted custodial care, and you knew or could reasonably have been expected to know, that they were not covered. You may appeal this determination. You may ask for an appeal regarding both the coverage determination and the issue of whether you exercised due care. The appeal request must be filed within 120 days of the date you receive this notice. You must make the request through this office		
	RARC #N358 - Alert: This decision may be reviewed if additional documentation as described in the contract or plan benefit documents is submitted.		
	RARC #MA02 - Alert: If you do not agree with this determination, you have the right to appeal. You must file a written request for an appeal within 180 days of the date you receive this notice.		
	RARC #M4 - Alert: This is the last monthly installment payment for this durable medical equipment.		
	RARC #N189 - Alert: This service has been paid as a one-time exception to the plan's benefit restrictions.		
	RARC #N185 - Alert: Do not resubmit this claim/service.		