Getting the Most out of CARC Codes

What are CARCs?

- Claim Adjustment Reason Codes
  “Claim adjustment reason codes communicate an adjustment, meaning that they must communicate why a claim or service line was paid differently than it was billed.”

Examples of CARCs

1. Deductible Amount
2. Co-insurance Amount
3. Co-payment Amount
45. Charge exceeds fee schedule/maximum allowable or contracted/legislated fee arrangement
Who uses CARCs?

- HIPAA requires that
  - **Payors** use CARCs to explain claim and line-level adjustment of payment in electronic remittance advice (ERA)
  - **Providers** use CARCs to explain the primary payor’s claim and line-level adjustment of payment in secondary/COB (Coordination of Benefits) electronic claims

Why should I use CARCs?

- CARCs are an industry standard
  - Payors, providers, and patients alike now use and/or receive CARCs
    - HIPAA requires use of CARCs in electronic ERA and with secondary/COB ECS
    - Payors increasingly report CARCs in paper remittance advice/explanation of benefits (EOB)
  - Partner supports multiple uses of CARCs
    - autopip/erareports display CARCs with text descriptions in the on-screen and printed ERA formats
    - bills/ebills display CARCs with text descriptions on personal bills
    - oops displays CARCs with each insurance payment line
      - allows access to the on-screen ERA for autoposted insurance payments
    - pip
      - allows entry of up to three CARCs per payment
    - tater displays CARCs with each insurance payment line
CARCs in autopip/erareports

CARCs in bills/ebills

CARCs in oops
**Viewing ERA with CARCs in oops**

![Image of ERA with CARCs in oops]

**CARCs in pip**

![Image of CARCs in pip]

**Configuring CARCs in pip with ced**

![Image of Configuring CARCs in pip with ced]
CARC Relatives: RARCs

Remittance Advice Remark Codes
Provide additional information about an adjustment or remittance processing

Examples

N59 Please refer to your provider manual for additional program and provider information
N130 Consult plan benefit documents/guidelines for information about restrictions for this service

CARC Relatives: CAGCs

Claim Adjustment Group Codes
Categorize each CARC

Examples

CO (Contractual Obligations)
OA (Other Adjustments)
PI (Payor-initiated Reductions)
PR (Patient Responsibility)

What's next for CARCs in Partner?

- October 6.18 Release
  Specify the CAGC and adjustment amount associated with each CARC in pip
- For future consideration
  Reporting (e.g. SRS, Dashboard) on CARCs
CARCs and Secondary/COB Electronic Claims

- All primary payor CARCs, CAGCs, and adjustment amounts must be reported on the secondary/COB claim
  
  Partner can report these values automatically when the primary payor payment is autoposted (autopip)
  
  Partner will soon (October 6.18 release) be able to report these values automatically when the primary payor payment is manually posted (pip)

Questions?

Thanks!