Getting the Most out of CARC Codes

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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."

  http://www.wpc-edi.com/reference/codelists/healthcare/claim-adjustment-reason-codes/

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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**

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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

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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

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CARCS in Partner

- `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
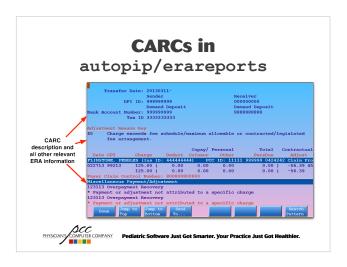 - allows access to the on-screen ERA for autoposted insurance payments
- `pip`
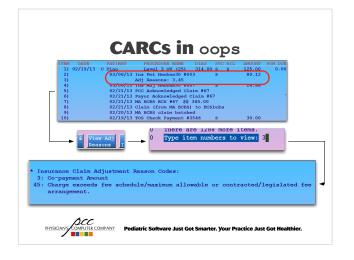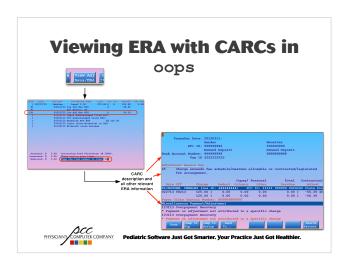 - allows entry of up to three CARCs per payment
- `tater`
  - displays CARCs with each insurance payment line
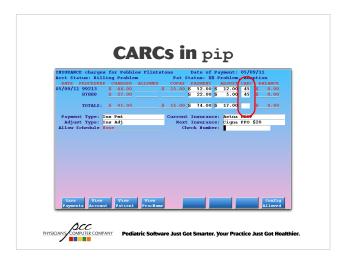
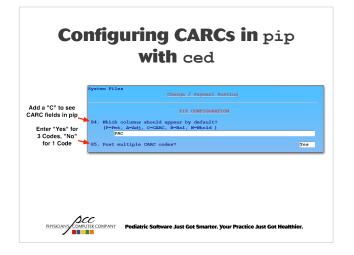PHYSICIAN'S COMPUTER COMPANY **Pediatric Software Just Got Smarter. Your Practice Just Got Healthier.**

CARCs in `autopip/erareports`

CARC description and all other relevant ERA information

CARCs in `bills/ebills`

CARCs in `oops`

Viewing ERA with CARCs in *oops*

CARC description and all other relevant ERA information

CARCs in *pip*

Configuring CARCs in *pip* with *ced*

Add a "C" to see CARC fields in pip

Enter "Yes" for 3 Codes, "No" for 1 Code

84. Which columns should appear by default?
(P—Pmt, A—Adj, C—CARC, B—Bal, W—Whold)
    PAC

85. Post multiple CARC codes?   Yes

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

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CARC Relatives: CAGCs

Claim Adjustment Group Codes

Categorize each CARC

Examples

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

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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

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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!