

## JJ/JM Part B Claim Adjustment Reason and Remark Codes Overview Webcast



- The session will begin shortly.
- Sound for webcasts are heard through your computer speakers or headset. There is no dial in telephone line.
- Closing all unneeded web browser windows and programs during the webcast will provide the best sound quality and webcast experience.
- Please take this time to adjust the volume on your computer speakers or headset. Prior to the webcast you should hear music.
- \*Please take a few moments and complete a short pre-test for this webcast.
  - <https://tinyurl.com/y8x9ylz7>



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## JJ/JM Part B Claim Adjustment Reason and Remark Codes Overview Webcast

May 19, 2020

Kathy Boehm

Sr. Provider Relations Representative

Palmetto GBA

Provider Outreach and Education Team



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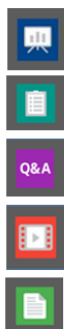
## Sound for Today's Webcast



Close all unneeded web browser windows and programs during the webcast for the best sound quality and webcast experience

## Using ON24 Widgets and Functions

Use your mouse to open a widget



- Slides (View Slides)

- Survey

- Q&A (Submit a Question)

- Media Player (Controls Volume)

- Resources (Handout, Certificate of Attendance)



Minimize/Maximize a Widget



## Disclaimer

The information provided in this handout was current as of May 18, 2020. Any changes or new information superseding the information in this handout will be provided in articles and publications with publication dates after May 18, 2020 posted at [www.PalmettoGBA.com/JJB](http://www.PalmettoGBA.com/JJB) and [www.PalmettoGBA.com/JMB](http://www.PalmettoGBA.com/JMB)

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American Medical Association

## Claim Denials and Rejection

- Thousands of claims rejected or denied a day
- Many **denials** can be avoided
- Most **rejection** are 100 percent avoidable

# Lost Resources

- Research time
- Correcting and refiling claims
- Submitting appeals
- Request simple claim reopenings
- Multiple touches to patient claims/accounts
- Patient confusion/frustration
- More phone calls
- Lost payments
- Repeat



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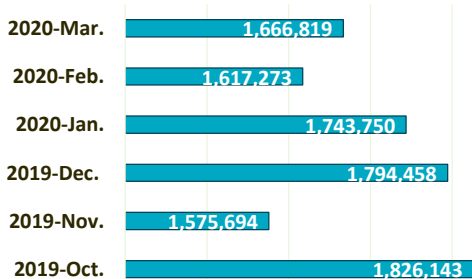
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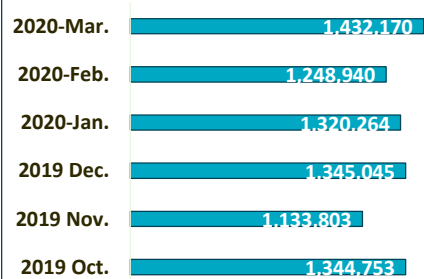


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## Jurisdiction J Top 10- Denial and Rejection Claim Adjustment and Remark Codes March 2020 AL, GA, TN



## Jurisdiction M Top 10 Denial and Rejection Claim Adjustment and Remark Codes March 2020 NC, SC, VA, WV



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## Palmetto GBA's Actions

- On going monitoring of monthly claim denial and rejection volumes and reasons
- Monitoring of providers with highest volume of denials and rejections
- Provide education

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## Provider Key Actions

- **Reactive**
  - **Receive a denial/rejection, research the information on the Medicare Remittance Advice (RA) and the patient's account**
  - **Work like denials and rejections together**
    - Review correct and resubmit rejections; or
    - Review, research and appeal denials or take appropriate write-offs
- **Proactive**
  - **Understand the information on the Medicare Remittance Advice (RA)**
  - **Identify and address the root cause for rejections and denials**
  - **Reeducate staff as needed**
  - **Monitor denial and rejection levels watching for increases and decreases in numbers or watch for sudden new denial or rejection reasons**

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## What is a Remittance Advice (RA)?

- After submitting a claim, an RA is issued that explains the payment and any adjustment(s) made during Medicare's adjudication of claims
- RAs provide itemized claim processing decision information regarding:
  - ✖ Payments
  - ✖ Adjustments
  - ✖ Missing or incorrect data
  - ✖ Deductibles and co-pays
  - ✖ Denials
  - ✖ Refunds



## Help Understanding the RA



### - Remittance Advice Resources and FAQs

- Review the "Reading a Professional RA" section

- Remittance Advice (RA) Information - An Overview



- <https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/Downloads/ICN905367.pdf>

- <https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/Downloads/Remit-Advice-Overview-Fact-Sheet-ICN908325.pdf>

## Standard Code Sets

- For any line or claim level adjustment, three sets of codes may be used:
  - **Claim Adjustment Group Code (Group Code)**
  - **Claim Adjustment Reason Code (CARC)**
  - **Remittance Advice Remark Code (RARC)**

## Group Codes

- **CO** - Contractual Obligations - assigns responsibility to the provider
- **OA** - Other Adjustments - used when no other group code applies to the adjustment
- **PR** - Patient Responsibility – assigns responsibility of the amount listed to the patient (or a patient's secondary insurance)
  - **Typically used for deductible, copayments and noncovered services**

# Claim Adjustment Reason and Remark Codes

- Code sets maintained by the Washington Publishing Company
  - Claim Adjustment Reason Codes
  - Claim Adjustment Remark Codes

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## Accessing CARCs from the Palmetto GBA Website

The screenshot shows the Palmetto GBA website with the 'Tools' section expanded. A red box highlights the 'Reason/Remark Code Lookup' tool. A blue arrow points from the URL below to this tool.

[www.PalmettoGBA.com/JJB](http://www.PalmettoGBA.com/JJB) or [www.PalmettoGBA.com/JMB](http://www.PalmettoGBA.com/JMB)

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# Washington Publishing Company

## The official Washington Publishing company Website

- [www.wpc-edi.com](http://www.wpc-edi.com)



Currently being redirected to the official ASC X12 website:  
<https://next12.org/index.php/codes>

**WPC** Washington Publishing Company

### WPC's Web Pages

Early Sunday morning March 29th the WPC servers were the victim of a ransomware attack. As a result, all of WPC's web pages are off-line. The content has been encrypted by the attackers. WPC is not going to pay the ransom since there is no guarantee that the content will be decrypted. Work is underway to restore WPC's web pages. At this time, May 1, we do not know how long it will take.

### Code Lists

This includes most of the external lists that were previously published on [www.wpc-edi.com/reference](http://www.wpc-edi.com/reference) and [www.x12.org/codes](http://www.x12.org/codes): [Code Lists](#). To purchase code list subscriptions call WPC: (425) 562-2245 or email WPC: [admin@wpc-edi.com](mailto:admin@wpc-edi.com).

### Rail Industry Implementation Guides (008010)

PDF collections are now ready for sale. To purchase them call WPC: (425) 562-2245 or email WPC: [admin@wpc-edi.com](mailto:admin@wpc-edi.com). Table D is not yet available.

- Complete collection: \$375/single user - \$2,750/multi-user
- IRF - 431, 433, 434, 437, 475, 838: \$125/single user
- ISM - ISM Front, ISM Examples, 421, 451, 452, 453, 455, 456: \$125/single user
- ISS - 426, 864, 996: \$125/single user
- REN - REN Front, 460, 463, 486, 490: \$125/single user
- PTC - Positive Train Control - Rail Front, Data Element Dictionary, 161, 824 (Train Sheet): \$125/single user

This includes most of the external code lists that were previously published on [www.wpc-edi.com/reference](http://www.wpc-edi.com/reference) and [www.x12.org/codes](http://www.x12.org/codes). To purchase code list subscriptions call WPC: (425) 562-2245 or email WPC: [admin@wpc-edi.com](mailto:admin@wpc-edi.com).

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Claim Adjustment Reason Codes
Health Care Claim Status
Health Care Claim Status Category
Health Care Service Decision Reason
Provider Taxonomy Codes
Remittance Advice Remark Codes

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# CARCs and RARCs



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This includes most of the external code lists that were previously published on [www.wpc-edi.com/reference](http://www.wpc-edi.com/reference) and [www.x12.org/codes](http://www.x12.org/codes). To purchase code list subscriptions call WPC: (425) 562-2245 or email WPC: [admin@wpc-edi.com](mailto:admin@wpc-edi.com).

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Claim Adjustment Reason Codes
Health Care Claim Status
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# CARCs

## Codes

### Claim Adjustment Reason Codes • X12 External Code Source 139 LAST UPDATED 3/3/2020

These codes communicate a reason for a payment adjustment that describes why a claim or service line was paid differently than it was billed.

#### Claim Adjustment Group Codes

Did you receive a code from a health plan, such as: PR32? The "PR" is a Claim Adjustment Group Code and the description for "32" is below. The Claim Adjustment Group Codes are internal to the X12 standard. These codes generally assign responsibility for the adjustment to the health plan. The format is always two alpha characters. For convenience, the value and explanation are provided.

**4 The procedure code is inconsistent with the modifier used. Usage: Refer to the 835 Healthcare Policy Identification Segment (loop 2110 Service Payment Information REF), if present.**

Start: 01/01/1995 | Last Modified: 03/01/2020

**5 The procedure code/type of bill is inconsistent with the place of service. Usage:**

Start: 01/01/1995

**4 The procedure code is inconsistent with the modifier used. Usage: Refer to the 835 Healthcare Policy Identification Segment (loop 2110 Service Payment Information REF), if present.**

Start: 01/01/1995 | Last Modified: 03/01/2020

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# RARCs

## Codes

### Remittance Advice Remark Codes • ASC X12 External Code Source 411 LAST UPDATED 3/3/2020

Remittance Advice Remark Codes (RARCs) are used to provide additional explanation for an adjustment already described by a Claim Adjustment Reason Code (CARC) or to convey information about remittance processing. Each RARC identifies a specific message as shown in the Remittance Advice Remark Code List. There are two types of RARCs, supplemental and informational. The majority of the RARCs are supplemental; these are generally referred to as RARCs without further distinction. Supplemental RARCs provide additional explanation for an adjustment already described by a CARC.

**M2 Not paid separately when the patient is an inpatient.**

Start: 01/01/1997

Start: 01/01/1997

**M2 Not paid separately when the patient is an inpatient.**

Start: 01/01/1997

**M3 Equipment is the same or similar to equipment already being used.**

Start: 01/01/1997

**M4 Alert: This is the last monthly installment payment for this durable medical equipment.**

Start: 01/01/1997 | Last Modified: 04/01/2007

Notes: (Modified 4/1/07)

**M5 Monthly rental payments can continue until the earlier of the 15th month from the first rental month, or the month when the equipment is no longer needed.**

Start: 01/01/1997

**M6 Alert: You must furnish and receive this item for a period of medical need for the remainder of the**

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## Tips

- Review each and every claim adjustment reason and remark code
- If you receive a CARC or RARC that indicates the claim was rejected or that something was missing and you do not have additional CARCs and RARCs that tell you what was missing, invalid or complete, **you likely do not have all of the information that Palmetto GBA included on your RA**
- If you get RAs from a billing company, clearinghouse or vendor, compare your remit to the remit on Palmetto GBA eServices tool to make sure you are receiving all the necessary CARCs and RARCs

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## Tips

- Research like denials and rejections by CARCs and RARCs.
- What caused the claim to reject or deny?
- How do you prevent future denials and rejections for the same reason?

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## What Is eServices?



- Internet-based, provider self-service application
-    to Medicare information available through our eServices application
- There is no cost to register and use eServices

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## Features

- Eligibility
- Claims Status
- Remittances Online
- Financial Information — payment floor and last three checks paid
- Financial Forms - eOffset requests, eCheck payments, and CMS-838 Credit Balance

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## Features

- Secure Forms
  - **Appeals**
    - First level appeal and simple reopening requests
  - **Medical Review ADR Response form**
  - **General Inquiry form**
- eDelivery
- eReview
- MBI Lookup



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## Next Steps

- Five-part webcast series to explore the top five reason claims are rejected or denied based on CARCs and RARCs
- Must register for each separately
  - Wednesday, June 10: Part 1: Remittance Advice Remark Code MA130
  - Wednesday, June 24: Part 2: Claim Adjustment Reason Code 181
  - Wednesday, July 1: Part 3: Claim Adjustment Reason Code 109
  - Wednesday, July 22: Part 4: Claim Adjustment Reason Code 18
  - Thursday, July 30: Part 5: Claim Adjustment Reason Code 16

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## Part B Provider Contact Center

- **Jurisdiction J**
  - 8 a.m. until 6 p.m., ET
  - 877.567.7271
- **Jurisdiction M**
  - 8 a.m. - 4:30 p.m., ET
  - 855.696.0705
- The Interactive Voice Response (IVR) Hours of Availability – 24 hours a day, 7 days a week
  - Except dark days
- IVR Job Aids available



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- Find out more about us on LinkedIn

@PalmettoGBA



- View our YouTube education videos

www.PalmettoGBA.com/B



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- Subscribe to our RSS feed

www.PalmettoGBA.com/B



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## Time for your questions regarding material covered in today's webcast!

Thank you for attending!  
Please take a few moments to complete a short post-test  
included in the survey.



- **Survey**



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