CAQH Committee on Operating Rules for Information Exchange (CORE)
Code Combinations Task Group
Impact Analysis: Potential Compliance-based Adjustments to the *CORE Code Combinations v3.7.1 June 2022*
For Discussion Only

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1. **Executive Summary**

Per the [CAQH CORE Code Combinations Maintenance Process](), the *CORE-required Code Combinations for CORE-defined Business Scenarios* (hereafter *CORE Code Combinations*) must be maintained to ensure ongoing alignment with the current, published [CARC]() and [RARC]() lists maintained by the respective Code Maintenance Committees[1]. Two types of adjustments to the *CORE Code Combinations* are conducted via the maintenance process:

- **Compliance-based Adjustments**: Published updates including deactivations, modifications and additions to the CARC and RARC list by the code authors must be reviewed to ensure ongoing alignment between the *CORE Code Combinations* and the published code lists[2]; Compliance-based Reviews (CBRs) occur three times per year per the CAQH CORE Code Combinations Maintenance Process.
- **Market-based Adjustments**: Refinement of existing *CORE Code Combinations* and/or industry identification of the need for additional CORE-defined Business Scenarios and associated code combinations; Market-based Reviews (MBRs) occur once every two years per the CAQH CORE Code Combinations Maintenance Process.

With the publication of an updated CARC list on 08/01/22, the Task Group must convene to complete a Compliance-based Review (CBR). This document outlines the CBR of the *CORE Code Combinations v3.7.1 June 2022* and includes recommendations for Compliance-based Adjustments to the code combinations for consideration by the Task Group. If changes result from this August 2022 CBR they will be published on 11/01/22 as the *CORE Code Combinations v3.7.2 November 2022* and will supersede all previous versions of the *CORE Code Combinations*.

2. **Scope of Potential Compliance-Based Adjustments to CORE Code Combinations 3.7.1 June 2022**

There are three types of CARC and RARC list updates that can impact the *CORE Code Combinations*: deactivations, modifications, and additions. Table 1 summarizes the scope of the 08/01/22 updates to the published CARC and RARC lists to be considered by the Task Group.

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

[2] "Published code list" refers to the master CARC or RARC list as published.

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Table 1.   Summary of Recommended Compliance-based Adjustments to *CORE Code Combinations v3.7.1* by Type of Code List Adjustment

Type of Code List Adjustments	Total Published Code List Adjustments	Recommended Potential Impact on *CORE Code Combinations*
Code List Deactivations in August 2022	• **0** CARCs deactivated • **0** RARCs deactivated	• N/A • N/A
Code List Description Modifications in August 2022	• **0** CARC description modified • **0** RARC descriptions modified	• N/A • N/A
Code List Additions in August 2022	• **1** CARC added • **0** RARCs added	• The new CARC potentially meets the CORE Code Combinations Evaluation Criteria and can be considered for addition. • N/A

3.   CARC Addition

In the latest update to the published code lists, the CARC authors added the following CARC to the published list:

Table 2.   CARC Added in August Update

CARC #	CARC Description
P32	Payment adjusted due to Apportionment.

The new CARC P32 potentially meets the CORE Code Combinations Evaluation Criteria and can be considered for addition to the *CORE Code Combinations*.

However, the CAQH CORE Staff and Task Group Co-chairs recommend the CARC NOT be added to the *CORE Code Combinations*.

The first CORE Code Combinations Evaluation Criteria is

Definition of CARC must be consistent with the associated CORE-defined Business Scenario description.

Note: "When a CARC description results in ambiguity as to the appropriate CORE-defined Business Scenario, CCTG Compliance-based Review and Market-based Review procedures allow for the appropriate CORE-defined Business Scenario to be determined by Task Group Participants."

CAQH CORE Staff and Task Group Co-chairs understanding of code P32 is that it would only be used when a health plan is under obligation to pay a portion of a claim, and that if the plan had no obligation to pay any part of a claim, a different CARC would apply. Given that none of the CORE-defined Business Scenarios

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apply to situations when payment is made, CAQH CORE Staff and Task Group Co-chairs understand the CARC is NOT *consistent with any of the CORE-defined Business Scenario description*s and therefore recommend it not be added to *CORE Code Combinations.* However, if the CARC was to be used when payment is denied, then such use could potentially be consistent with CORE-defined Business Scenario #3 - Billed Service Not Covered by Health Plan

As the CARC description results in ambiguity, the Task Group Participants will be asked

- If they agree with the recommendation not to add CARC P32 to the CORE Code Combination, and
- If the Task Group Participants agree to add CARC P32 to the CORE Code Combinations, which CORE-defined Business Scenario it should be placed in, and what, if any, RARCs should be associated with it in that scenario.

4. Next Steps
Listed below are the key next steps for the CAQH CORE Code Combinations Task Group regarding the August 2022 Compliance-based Review:

1. Complete a Task Group Initial Straw Poll of potential Compliance-based Adjustments to the *CORE Code Combinations 3.7.1 June 2022.*
2. Task Group discussion of the Initial Straw Poll results and agreement on a subset of Compliance-based Adjustments to the *CORE Code Combinations 3.7.1 June 2022.*
3. Complete a Task Group Follow-up Straw Poll on potential Compliance-based Adjustments to *the CORE Code Combinations 3.7.1 June 2022* identified via the Initial Straw Poll and Task Group discussion. Prior to distribution of the follow-up straw poll, Task Group Participants will be asked to submit any rationale they have in support of/not in support of the code combination adjustments to be included on the follow-up straw poll. These comments will be distributed with the follow-up straw poll for consideration by the respondents.
4. Review results of Follow-up Straw Poll and reach agreement on final Compliance-based Adjustments to the *CORE Code Combinations 3.7.1 June 2022.*
5. **Goal:** Per CAQH CORE policy, if adjustments are made to the CORE Code Combinations 3.7.1 June 2022, publish the *CORE Code Combinations v3.7.2 November 2022* on the CAQH CORE website by 11/01/22 to ensure compliance is met.