

**CAQH Committee on Operating Rules for Information Exchange (CORE)
Code Combinations Task Group
Impact Analysis: Potential Compliance-based Adjustments to the CORE Code Combinations v3.7.2 October 2022
For Discussion Only**

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Executive Summary

1.1 Background

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 Committees¹. 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 lists²; 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 RARC list on 11/01/22, the Task Group must convene to complete a Compliance-based Review (CBR). This document outlines the CBR of the *CORE Code Combinations v3.7.2 October 2022* and includes recommendations for Compliance-based Adjustments to the code combinations for consideration by the Task Group. If changes result from this November 2022 CBR they will be published on 02/01/23 as the *CORE Code Combinations v3.7.3 February 2023* and will supersede all previous versions of the *CORE Code Combinations*.

1.2 Scope of Potential Compliance-Based Adjustments to CORE Code Combinations 3.7.2 October 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 11/01/22 updates to the published CARC and RARC lists to be considered by the Task Group.

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 v3.7.2* by Type of Code List Adjustment

Type of Code List Adjustments	Total Published Code List Adjustments	Recommended Potential Impact on <i>CORE Code Combinations</i>
Code List Deactivations in November 2022	<ul style="list-style-type: none"> • 0 CARCs deactivated • 0 RARCs deactivated 	<ul style="list-style-type: none"> • N/A • N/A
Code List Description Modifications in November 2022	<ul style="list-style-type: none"> • 0 CARC description modified³ • 0 RARC descriptions modified 	<ul style="list-style-type: none"> • N/A • N/A
Code List Additions in November 2022	<ul style="list-style-type: none"> • 0 CARC added • 6 RARCs added 	<ul style="list-style-type: none"> • N/A • Two of the new RARCs potentially meet the CORE Code Combinations Evaluation Criteria and can be considered for addition.

November 2022 CBR Initial Straw Poll: RARC Additions

2.1 RARC Additions

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

Table 2. RARCs Added in November Update

RARC #	RARC Descriptions
N880	Original claim closed due to changes in submitted data. Adjustment claim will be processed under a new claim number.
N881	Client Obligation, patient responsibility for Home & Community Based Services (HCBS)
N882	Alert: The out-of-network payment and cost sharing amounts were based on the plan's allowance because the provider or facility obtained the patient's consent to waive the balance billing protections under the No Surprises Act.
N883	Alert: Processed according to state law

³ (Note: at its September 2022 meeting, the code set authors agreed to modify wording to add a usage note to existing CARC code A1. However, this modification is to be effective 7/1/2023 and has not been published as part of the November 2022 code set updates. CARC A1 is not currently included in the *CORE Code Combinations* and the addition of "Usage: Use this code only when a more specific CARC is not available") to the description is potentially not a modification that would qualify the CARC for addition to the *CORE Code Combinations*).

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N884	Alert: The No Surprises Act may apply to this claim. Please contact payer for instructions on how to submit information regarding whether or not the item or service was furnished during a patient visit to a participating facility.
N885	Alert: This claim was not processed in accordance with the No Surprises Act cost-sharing or out-of-network payment requirements. The payer disagrees with your determination that those requirements apply. You may contact the payer to find out why it disagrees. You may appeal this adverse determination on behalf of the patient through the payer’s internal appeals and external review processes.

2.1.1 RARC N880

The new RARC N880 potentially meets the [CORE Code Combinations Evaluation Criteria](#) and can be considered for addition to the CORE Code Combinations. The request which resulted in the addition of this code to the code list proposed that it be used in conjunction with CARC 96⁴, which is included in CORE-defined Business Scenario #3: Billed Service Not Covered by Health Plan.

As the description of the RARC code does not refer to a situation where the billed service is not covered by the health plan, CAQH CORE Staff and Task Group Co-chairs do NOT recommend the code combination of CARC 96 with this new RARC be added to the *CORE Code Combinations*.

However, to allow the Task Group members to provide input on this recommendation, the Task Group November 2022 CBR Initial Straw Poll will ask Task Group members if they agree with the recommendation to NOT include RARC N880 with CARC 96 in the CORE Code Combinations

In addition, the Task Group November 2022 CBR Initial Straw Poll will ask Task Group members to submit any additional corresponding CARC(s) currently included in the CORE-required Code Combinations to which this RARC adds additional specificity consistent with the definition of the CARC and the associated CORE-defined Business Scenario description. Any CARCs submitted will be included in the Follow-up Straw Poll for consideration by the Task Group.

⁴ CARC 96 description is “Non-covered charge(s). 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.) Usage: Refer to the 835 Healthcare Policy Identification Segment (loop 2110 Service Payment Information REF), if present.”

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CARC #	CARC Description	RARC #	RARC Description	ASC X12 CAGC
CORE-defined Business Scenario #3: Billed Service Not Covered by Health Plan				
96	Non-covered charge(s). 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.) Usage: Refer to the 835 Healthcare Policy Identification Segment (loop 2110 Service Payment Information REF), if present.	N880	Original claim closed due to changes in submitted data. Adjustment claim will be processed under a new claim number.	CO, PI or PR

2.1.2 RARC N881

The new RARC N881 potentially meets the [CORE Code Combinations Evaluation Criteria](#) and can be considered for addition to the *CORE Code Combinations*. However, the request which resulted in the addition of this code to the code list proposed that it be used in conjunction with CARC 142⁵, which is not included in CORE-defined Business Scenario #3: Billed Service Not Covered by Health Plan.

As RARC codes can only be added to CARC(s) currently included in the CORE-required Code Combinations, CAQH CORE Staff and Task Group Co-chairs do NOT recommend the addition of this new RARC to the *CORE Code Combinations*.

However, the Task Group November 2022 CBR Initial Straw Poll will ask Task Group members to submit any CARC(s) currently included in the CORE-required Code Combinations to which this RARC adds additional specificity consistent with the definition of the CARC and the associated CORE-defined Business Scenario description. Any CARCs submitted will be included in the Follow-up Straw Poll for consideration by the Task Group.

2.1.3 RARCs N882, N883, N884 and N885

New RARCs N882, N883, N884 and N885 are “Alert RARCs”, which do not meet the [CORE Code Combinations Evaluation Criteria](#). As such RARCs N882, N883, N884 and N885 are not included in the Task Group November 2022 CBR Initial Straw Poll.

⁵ CARC 142 description is “Monthly Medicaid patient liability amount.”

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Next Steps

Listed below are the key next steps for the CAQH CORE Code Combinations Task Group regarding the November 2022 Compliance-based Review:

1. Complete a Task Group Initial Straw Poll of potential Compliance-based Adjustments to the *CORE Code Combinations 3.7.2 October 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 3.7.2 October 2022*.
3. Complete a Task Group Follow-up Straw Poll on potential Compliance-based Adjustments to the *CORE Code Combinations 3.7.2 October 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 3.7.2 October 2022*.
5. **Goal:** Per CAQH CORE policy, if adjustments are made to the *CORE Code Combinations 3.7.2 October 2022*, publish the *CORE Code Combinations v3.7.3 February 2023* on the CAQH CORE website by 02/01/23 to ensure compliance is met.