

**CAQH Committee on Operating Rules for Information Exchange (CORE)
Code Combinations Task Group
Impact Analysis: Potential Adjustments to the *CORE Code Combinations v3.7.4 June 2023*
For Discussion Only**

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1 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 07/01/23, the Task Group must convene to complete a Compliance-based Review (CBR). This document outlines the CBR of the *CORE Code Combinations v3.7.4 June 2023* and includes recommendations for Compliance-based Adjustments to the code combinations for consideration by the Task Group. If changes result from this July 2023 CBR they will be published on 10/01/2023 and will supersede all previous versions of the *CORE Code Combinations*.

The straw poll also addresses potential Market-based Adjustments to the CORE Code Combinations that were received during the 2023 CAQH CORE Public Market-based Adjustments Submission Period. CAQH CORE initiated a public 60-day period during which industry entities could submit potential Market-based Adjustments (e.g., additions, removals, and relocations) to the CORE Code Combinations in the existing CORE-defined Business Scenarios. Three potential adjustments were submitted via the CAQH CORE 2023 Market-based Adjustments Form for Task Group consideration.

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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1.2 Scope of Potential Compliance-Based Adjustments to CORE Code Combinations 3.7.4 June 2023

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 07/01/2023 updates to the published CARC and RARC lists to be considered by the Task Group.

Table 1. Summary of Recommended Compliance-based Adjustments to *CORE Code Combinations v3.7.4* 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 July 2023	<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 July 2023	<ul style="list-style-type: none"> • 1 CARC description modified • 0 RARC descriptions modified 	<ul style="list-style-type: none"> • The CARC description modification does not impact the <i>CORE Code Combinations</i>, • N/A
Code List Additions in July 2023	<ul style="list-style-type: none"> • 0 CARC added • 3 RARCs added 	<ul style="list-style-type: none"> • N/A • One of the new RARCs potentially meet the CORE Code Combinations Evaluation Criteria and can be considered for addition.

In addition, three code combinations submitted to the CAQH CORE Code Combinations Maintenance Process based on published CARC & RARC lists as of November 2022 that were presented incorrectly in, or omitted from, the Task Group Follow-up Straw Poll for that Maintenance Process will be included in this poll.

1.3 CARC Modification

At its September 2022 meeting, the code set authors agreed to modify wording to add a usage note to existing CARC code A1 to be effective 7/1/2023. 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 not a modification that indicates the CARC should be considered for addition to the CORE Code Combinations).

2 July 2023 CBR Initial Straw Poll

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 July Update

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RARC #	RARC Descriptions
N886	Alert: A Health Care Claim Request for Additional Information (277 RFAI) has been sent.
N887	Providers not participating in the Medicare Advantage Plan have the right to appeal if the plan has partially or fully denied payment or if the provider believes the plan has not paid the services at the expected Medicare reimbursable rate or type of level/service. Providers may file their appeal in writing within 60 calendar days after the date of the remittance advice. For the plan to review the appeal, the plan will need a completed signed Waiver of Liability Statement. To obtain a Waiver of Liability form, please contact your Medicare Advantage Plan. Once we receive the completed forms, we will give you a decision on your appeal within 60 calendar days.
N888	Alert: An electronic request for additional information has been sent for this claim.

2.1.1 RARC N887

New RARC N887 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 the following:

- **CARC 16:** Claim/service lacks information or has submission/billing error(s). Usage: Do not use this code for claims attachment(s)/other documentation. 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.) Refer to the 835 Healthcare Policy Identification Segment (loop 2110 Service Payment Information REF), if present.
- **CARC 197:** Precertification/authorization/notification/pre-treatment absent.

CARC 16 is included in CORE-defined Business Scenario #2: Missing/Invalid/Incomplete Data from Submitted Claim. CARC 197 is included in CORE-defined Business Scenario #3: Billed Service Not Covered by Health Plan.

2.1.2 RARC N887 Recommendations

2.1.2.1 Do Not Include RARC N887 with CARC 16

As the description of the RARC code does not refer to a situation where there is missing, invalid or incomplete data on the submitted claim, CAQH CORE Staff and Task Group Co-chairs **do NOT recommend** the code combination of CARC 16 with this new RARC be added to the *CORE Code Combinations*. The recommendation to not include RARC N887 with CARC 16 in the CORE Code Combinations will be included in the July 2023 CBR Initial Straw Poll, giving Task Group members the opportunity to provide input on and indicate agreement with the recommendation.

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Table 3: Summary of CARC 16 and N887 NOT Recommended for Addition to the CORE-required Code Combinations

CARC #	CARC Description	RARC #	RARC Description	ASC X12 CAGC
CORE-defined Business Scenario #2: Missing/Invalid/Incomplete Data from Submitted Claim				
16	Claim/service lacks information or has submission/billing error(s). Usage: Do not use this code for claims attachment(s)/other documentation. 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.) Refer to the 835 Healthcare Policy Identification Segment (loop 2110 Service Payment Information REF), if present.	N887	Providers not participating in the Medicare Advantage Plan have the right to appeal if the plan has partially or fully denied payment or if the provider believes the plan has not paid the services at the expected Medicare reimbursable rate or type of level/service. Providers may file their appeal in writing within 60 calendar days after the date of the remittance advice.	CO or PI

2.1.2.2 Include RARC N887 with CARC 96 and CARC 197

CAQH CORE Staff and Task Group Co-chairs recommend combining RARC N887 with CARCs 96 and 197 for addition to the *CORE-required Code Combinations*. The Task Group July 2023 CBR Initial Straw Poll will ask Task Group members if they agree with the recommendation to include RARC N887 with CARCs 96 and 197 in the CORE Code Combinations.

Table 4: Summary of CARC 96 and CARC 197 Combined with RARC N887 Recommended for Addition to the CORE-required Code Combinations

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.	N887	For the plan to review the appeal, the plan will need a completed signed Waiver of Liability Statement. To obtain a Waiver of Liability form, please contact your Medicare Advantage Plan.	CO, PI or PR
197	Precertification/authorization/notification/pre-treatment absent.		Once we receive the completed forms, we will give you a decision on your appeal within 60 calendar days.	

2.1.2.3 Task Group Submissions

In addition, the Task Group July 2023 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.

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2.1.3 RARCs N886 and N888

New RARCs N886 and N888 are “Alert RARCs”, which do not meet the [CORE Code Combinations Evaluation Criteria](#). As such RARCs N886 and N888 are not included in the Task Group July 2023 CBR Initial Straw Poll.

3 Code combinations submitted to the CAQH CORE Code Combinations Maintenance Process based on published CARC & RARC lists as of November 2022.

In the Task Group Follow-up Straw Poll for the CAQH CORE Code Combinations Maintenance Process based on published CARC & RARC lists as of November 2022 two CARCs submitted on the CBR Initial Straw Poll for association with straw-pollled RARCs (RARC CARCs 16 and 129 with RARC N880) were listed with an incorrect CORE-defined Business Scenario, and one code combination (CARC 96 with RARC N881) was omitted.

3.1 RARC Additions submitted on the November 2022 CBR Initial Straw Poll

3.1.1 RARC N880

The combinations of RARC N880 with CARCs 16 and 129 received low support in the Follow-up Straw Poll and therefore were not added to the Core Code Combinations. However, to ensure that the level of support was not affected by their listing with an incorrect CORE-defined Business Scenario, these combinations will be included with the correct business scenario in the Task Group July 2023 CBR Initial Straw Poll.

CARC #	CARC Description	RARC #	RARC Description	ASC X12 CAGC
CORE-defined Business Scenario #2: Missing/Invalid/Incomplete Data from Submitted Claim				
16	Claim/service lacks information or has submission/billing error(s). Usage: Do not use this code for claims attachment(s)/other documentation. 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.) 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 or PI
129	Prior processing information appears incorrect. 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.)			

3.1.2 RARC N881

The combination of RARC N881 with CARC 96 was not included in the Follow-up Straw Poll and therefore was not added to the Core Code Combinations. It will be included in the Task Group July 2023 CBR Initial Straw Poll.

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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.	N881	Client Obligation, patient responsibility for Home & Community Based Services (HCBS)	CO, PI or PR

4 Scope of Potential Market-Based Adjustments to CORE Code Combinations 3.7.4 June 2023

4.1 Summary of Respondents

Responses to the 2023 CAQH CORE Industry Market-based Adjustments Survey were received from 1 entity, that creates, uses, or transmits the HIPAA mandated transactions in their daily business (i.e., HIPAA covered entity or Business Associate).

Additional information about the respondents is provided in the tables below:

Table 5: Number/Percent of Respondents by CORE Participation, HIPAA Covered Entity, & HIPAA Transaction Usage

Categorization	Yes # (%)	No # (%)
CORE Participating Organization	1 (100%)	0 (0%)
HIPAA Covered Entity	1 (100%)	0 (0%)
Entity Creates, Uses, Transmits HIPAA Mandated Transactions	1 (100%)	0 (0%)

4.2 Summary of Code Combination Adjustment Submissions

A total of 3 unique requests for adjustments to the CORE Code Combinations in the existing CORE-defined Business Scenarios were submitted during the 2023 potential Market-based Adjustments submission period.

Table 7 below summarizes the number of unique, valid code adjustment submissions per CORE-defined Business Scenario by adjustment category.

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Table 6: Breakdown of Responses to 2023 MBR by Entity Type

Entity Type	# (%)
Total Number of Individual Organizational Responses	1 (100%)
Number of Health Plan Responses	1 (100%)
Number of Provider Responses	0 (0%)
Number of SDO/Association Responses	0 (0%)
Number of Government Health Plan Responses	0 (0%)
Number of Vendor/Clearinghouse Responses	0 (0%)
Number of “Other” Responses	0 (0%)

Table 7: Number/Percent of Unique Submissions per CORE-defined Business Scenario by Adjustment Category

Adjustment Category	Business Scenario #1: Missing/Invalid/Incomplete Documentation	Business Scenario #2: Missing/Invalid/Incomplete Data from Submitted Claim	Business Scenario #3: Billed Service Not Covered by Health Plan	Business Scenario #4: Benefit for Billed Service Not Separately Payable
Addition	0	0	3	0
Removal	0	0	0	0
Relocation	0	0	0	0
Total	0	0	3	0
% of Unique Submissions	0%	0%	100%	0%

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4.3 2023 CAQH CORE Market-based Adjustments Submissions

Adjustment #1

Stakeholder Type: Health Plan

CORE Participating Organization: Yes

Type of Adjustment: Addition Type #3: Add RARC to an existing CARC

CARC	CARC Description	RARC	RARC Description	CORE-defined Business Scenario
95	Plan procedures not followed	N79	Service billed is not compatible with patient location information	#3: Billed Service Not Covered by Health Plan

Description of how submitted codes meet criteria for addition: Medicaid has a situation where the service is not covered based on the location of the member. The service can only be paid if the member is in one of the two select counties. If outside of the selected counties, the service is denied.

Applicability of addition: To the larger overall healthcare system.

Expected outcomes:

- Reduction in unnecessary manual provider follow-up.
- Fewer resources needed to conduct targeted follow-up with health plans and/or patients.
- Reduced provider calls for additional information or clarification.
- More accurate and clear 835 claim denial/adjustment messages.

Description of why none of the existing code combinations meet business need: N79 is not currently used in any of the CORE code combinations. This code combination is not available for the business scenario.

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Usage data provided: No.

Adjustment #2

Stakeholder Type: Health Plan

CORE Participating Organization: Yes

Type of Adjustment: Addition Type #3: Add RARC to an existing CARC

CARC	CARC Description	RARC	RARC Description	CORE-defined Business Scenario
96	Non-covered charge(s)	N79	Service billed is not compatible with patient location information	#3: Billed Service Not Covered by Health Plan

Description how submitted codes meet criteria for addition: N79 is not currently used in any of the CORE code combinations. This code combination is not available for the business scenario.

Applicability of addition: To the larger overall healthcare system.

Expected outcomes:

- Reduction in unnecessary manual provider follow-up.
- Less staff time spent on phone calls and/or websites.
- Fewer resources needed to conduct targeted follow-up with health plans and/or patients.
- Reduced provider calls for additional information or clarification.
- More accurate and clear 835 claim denial/adjustment messages.

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Description of why none of the existing code combinations meet business need: Medicaid has a situation where the service is not covered based on the location of the member. The service can only be paid if the member is in one of the two select counties. If outside of the selected counties, the service is denied.

Usage data provided: No.

Adjustment #3

Stakeholder Type: Health Plan

CORE Participating Organization: Yes

Type of Adjustment: Addition Type #3: Add RARC to an existing CARC

CARC	CARC Description	RARC	RARC Description	CORE-defined Business Scenario
185	The rendering provider is not eligible to perform the service billed	N448	This drug/service/supply is not included in the fee schedule or contracted/legislated fee arrangement	#3: Billed Service Not Covered by Health Plan

Description of how submitted codes meet criteria for addition: There are providers that have a narrow set of services they are contracted for. If they perform a service that is not on their contract, the claim is denied because the service is not in their contract/fee schedule. There [not] currently a combination to define this well.

Applicability of addition: To the larger overall healthcare system.

Expected outcomes:

- Reduction in unnecessary manual provider follow-up.
- More accurate billing of patients for co-pays and deductibles.

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- Reduced provider calls for additional information or clarification.
- More accurate and clear 835 claim denial/adjustment messages.

Description of why none of the existing code combos meet business need: There are providers that have a narrow set of services they are contracted for. If they perform a service that is not on their contract, the claim is denied because the service is not in their contract/fee schedule.

Usage data provided: No.

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5 Next Steps

Listed below are the key next steps for the CAQH CORE Code Combinations Task Group regarding the July 2023 Compliance-based & Market-based Review:

1. Complete a Task Group Initial Straw Poll of potential Compliance-based & Market-based Adjustments to the *CORE Code Combinations 3.7.4 June 2023*.
2. Task Group discussion of the Initial Straw Poll results and agreement on a subset of Compliance-based & Market-based Adjustments to the *CORE Code Combinations 3.7.4 June 2023*.
3. Complete a Task Group Follow-up Straw Poll on potential Compliance-based & Market-based Adjustments to the *CORE Code Combinations 3.7.4 June 2023* identified via the Initial Straw Poll and Task Group discussion.
 - a. 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 & Market-based Adjustments to the *CORE Code Combinations 3.7.4 June 2023*.
5. **Goal:** Per CAQH CORE policy, if adjustments are made to the *CORE Code Combinations 3.7.4 June 2023*, publish updated *CORE Code Combinations* on the CAQH CORE website by 10/01/23 to ensure compliance is met.