

PROVIDER ALERT

Changes to CARC (Change Adjustment Reason Codes)

September 10, 2021

Target Audience: All Behavioral Health Providers

Optum Maryland wishes to notify providers of changes to the Centers for Medicare and Medicaid (CMS) codes that are used on Provider Remittance Advice (PRA) documents.

CARC changes are listed in the table below:

Old Code	Old Code Description	New Code	New Code Description
62	Payment denied/reduced for absence of, or exceeded, pre-certification/authorization	198	Precertification/notification/authorization/pre-treatment exceeded
63	Correction to a prior claim	23	The impact of prior payer(s) adjudication including payments and/or adjustments (Used only with Group Code OA)
47	This (these) diagnosis(es) is (are) not covered, missing, or are invalid	16	Claim/service lacks information or has submission/billing error(s) which is needed for adjudication

A number of the codes used on PRAs are unique to the Incedo system. Three of these codes, detailed in the table below, have caused provider confusion, as they are also the numbers that represent CARC codes. When seen on the Optum Maryland PRA, they refer to the codes generated by Incedo (see the description of these codes below).

<u>Incedo Code</u>	Short Description of Code
87	Diagnosis code not effective on date of service
93	Invalid LOC/Modifier/Place of Service combination
361	Inappropriate use of UA modifier

To help with the distinction between CARC codes and Incedo codes, a two-letter indicator will be added to the CARC codes so they can be identified. These indicators are outlined below:

Two-Letter Indicator	Definition
CO	Contractual Obligation
CR	Corrections and Reversal
OA	Other Adjustment
PI	Payer Initiated Reductions
PR	Patient Responsibility

If you have questions about the information contained in this alert, please contact Optum Maryland customer services at 1-800-888-1965.

Thank you,

Optum Maryland Team