

To: AmeriHealth Caritas Louisiana Providers

Date: September 3, 2024

Subject: [Informational Bulletin 24-28](#): Appropriate Use of CARC/RARC Codes in Claims Adjudication

Informational Bulletins that summarize policies and/or procedures are intended for quick reference and are accurate on the date they are issued.

Appropriate Use of CARC/RARC Codes in Claims Adjudication

AmeriHealth Caritas Louisiana utilizes the most specific and appropriate Claim Adjustment Reason Code (CARC) and Remittance Advice Remark Code (RARC) when adjudicating claims.

Accurate and precise CARC/RARC code usage is critical for effective communication between payers and providers, facilitating streamlined claim processing, reducing denials, and promoting transparency throughout the revenue cycle.

Key Points

Specificity: AmeriHealth Caritas Louisiana will always select the most specific CARC/RARC code available that accurately reflects the reason for the claim adjustment, and avoid using generic or broad codes when more detailed options exist.

- **Consistency:** Consistency in CARC/RARC code application across similar claim scenarios will help providers better understand the adjudication processes and adapt their billing practices accordingly.
- **Updates:** Claims processing systems should be aligned with the latest standards, including updates or modifications to CARC/RARC code sets.
- **Resources:** Utilize available resources, such as code lookup tools and industry guidelines, to ensure accurate code selection and interpretation.

Provider Benefits of Standardized CARC/RARC Usage:

- **Improved provider communication:** Clear communication regarding claim adjudication leads to fewer inquiries and disputes.
- **Reduced claim denials:** Providers can proactively address issues and submit cleaner claims.

- **Enhanced efficiency:** Streamlined claim processing and faster reimbursement for providers.
- **Data analytics:** More granular data for identifying trends, improving processes, and optimizing payment accuracy.

MCO Action Required

AmeriHealth Caritas Louisiana will review our current CARC/RARC usage practices and take the necessary steps to ensure adherence to the principles outlined in this bulletin by consistently using the most specific CARC/RARC code available that accurately reflects the reason for the claim adjustment or denial.

One example might be a situation in which a claim is denied because the provider is not a participating provider or “NON PAR.” In cases like this, often the broadly defined CARC 299 code (the billing provider is not eligible to receive payment for the service billed) is used when the more specific CARC 147 (provider contracted/negotiated rate expired or not on file) is a better choice. This would be more appropriate because it provides specific information about why the provider is not eligible to receive payment and allows the provider to make better determinations concerning what actions might be taken to resolve the issue.

AmeriHealth Caritas Louisiana will promote standardized CARC/RARC code utilization, which will ultimately benefit both payers and providers by fostering a more transparent and efficient healthcare claims process.

For full details, please see [Informational Bulletin 24-28](#).

Questions regarding this message should be directed to AmeriHealth Caritas Louisiana Provider Services at 1-888-922-0007. The Provider Services Department can be reached daily between 7:00 am and 7:00 pm.

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