

## **Preferred Adjustment Reason Codes in order of priority Used when Paid Amount is Less than Billed Amount**

- 23** The impact of prior payer(s) adjudication including payments and/or adjustments. (This is used when your payment was reduced due to TPR or Medicare payments.)
- 24** Charges are covered under a capitation agreement / managed care plan (Used when the entire MCO responsibility or in part is covered under a sub-capitation agreement)
- 104** Managed Care Withholding (Used when a portion of the MCO Responsibility is withheld under a withhold/risk sharing agreement)
- 144** Incentive Adjustment e.g. preferred product / service (Used when there are claims level provider incentive payments)
- 161** Provider Performance bonus (Used when there are claims level provider bonus payments)
- 45** Charge exceeds fee schedule/maximum allowable or contracted/legislated fee arrangement (Use Group Code PR or CO depending upon liability.) (Used in the first position only when the full allowed amount is paid and there are no deductions.)

## **GROUP CODES**

- CO – Contractual Obligation (Financially Liable)
- CR – Corrections and Reversals (No Financial Liability)
- OA – Other Adjustments (No Financial Liability)
- PI – Payer Initiated Reductions (Rejected Liability)
- PR – Patient Responsibility (Patient is Financially Liable)

**Please refer to the Washington Publishing Company website for a list of Claim Adjustment Reason Codes (CARC) as well as Remittance Advice Remark Codes (RARC)**