

How to read EOB codes

The Agency is no longer using the old proprietary Explanation of Benefits (EOB) codes to explain claim denials or give other informational messages on the Remittance Advice (RA). The RA now contains the HIPAA compliant federal explanation codes called Claim Adjustment Reason Codes and Remittance Advice Remark Codes. There are two sets of codes and we will discuss the content of each set of codes and their uses.

Claim Adjustment Reason Codes (CARC)

Every adjudicated claim submitted to ProviderOne that has been finalized will have a Claim Adjustment Reason Code (CARC) applied to the claim or to each claim line. The CARC may be an informational code or may be an encompassing denial code. If the code has the possibility of more than one error reason on the claim then a Remittance Advice Remark Code (RARC) is also present to help further explain the denial reason. The code number will be located on the Remittance Advice at each line and also on the claim totals line in the two columns on the right side of the RA.

Each page of the RA has a series of columns with headings for the different data elements on the claim. Locate the Adjustment Reason Codes in the last column on the right side of the claim line.

Remark Codes	Adjustment Reason Codes/ NCPDP Rejection Codes
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Examples of Claim Adjustment Reason Codes are:

- 45 = \$xx.xx; a common informational code letting providers know that their charges exceed the fee schedule maximum allowable by the amount indicated. You would find this code on paid lines on a claim.
- 16 = \$xx.xx; a common code letting providers know that the claim/service lacks information which is needed to process the claim. This denial code will always have a Remark Code providing further explanation of what is needed to completely process the claim. The dollar amount indicated here is the billed amount.

Note: NCPDP rejection codes are unique codes to pharmacies and will only be found on pharmacy RA's.

Remittance Advice Remark Codes (RARC)

A claim/service denied with one of the encompassing Claim Adjustment Reason Codes will also contain a Remittance Advice Remark Code which helps explain the information that is lacking on the claim/service line.

If you get one of these encompassing Adjustment Codes, be sure to review the attached Remark Code located in the column to the left of the Adjustment Code.

Remark Codes	Adjustment Reason Codes/ NCPDP Rejection Codes
N329	16 = \$60.00





For additional information

In the above example the claim was denied with two codes, the Adjustment Reason Code of 16 and then the explanatory Remark Code of N329 (Missing/incomplete/invalid patient birth date).

Definitions and text of all the Claim Adjustment Reason Codes and the Remittance Advice Remark Codes used on the claim will be printed on the last page of the RA.

Find the complete list of reason and remark codes at the X12 organization's [website](#).

