

Notice of UCare Implementation of Medicare Facility LCD/NCD Policies

On Feb 1, 2018, UCare will be implementing Medicare Facility Local Coverage Determination/National Coverage Determination (LCD/NCD) policy edits for most Outpatient Facility claims through a third-party software. Through the use of this software, we will improve editing accuracy and consistency by aligning more closely with Centers for Medicare and Medicaid Services' (CMS) policies.

UCare is implementing this editing software to increase the auto adjudication rate of claims. In addition, use of this editing software will improve UCare's ability to more rapidly align with CMS code and legislative changes to ensure compliance with CMS and UCare's claims processing policies.

Upon implementation of these new edits, providers may experience processing and/or pricing changes on claims submitted for Medicare Facility claims.

Below is information to help identify if claims have been impacted by the Facility LCD/NCD policies.

If you receive the following CARC/RARC combo:

- **CARC 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.
- **RARC N115** - This decision was based on a Local Coverage Determination (LCD). An LCD provides a guide to assist in determining whether a particular item or service is covered. A copy of this policy is available at www.cms.gov/mcd, or if you do not have web access, you may contact the contractor to request a copy of the LCD.

It could be due to inappropriate coding relationships in these areas, but not limited to:

- Age Relationship
- Modifier Code Relationship
- Code-to-Code Relationship
- Gender Relationship
- Deny Relationship

If you receive the following CARC/RARC combo:

- **CARC 11** - The diagnosis is inconsistent with the procedure. Usage: Refer to the 835 Healthcare Policy Identification Segment (loop 2110 Service Payment Information REF), if present.
- **RARC N115** - This decision was based on a Local Coverage Determination (LCD). An LCD provides a guide to assist in determining whether a particular item or service is covered. A copy of this policy is available at www.cms.gov/mcd, or if you do not have web access, you may contact the contractor to request a copy of the LCD.

It could be due to inappropriate coding relationships in these areas, but not limited to:

- Diagnosis Code Relationship
- Primary Diagnosis Code Relationship
- Secondary Diagnosis Code Relationship
- Tertiary Diagnosis Code Relationship

If you receive the following CARC/RARC combo:

- **CARC** – **Will vary in description based on review.*
- **RARC N115** - This decision was based on a Local Coverage Determination (LCD). An LCD provides a guide to assist in determining whether a particular item or service is covered. A copy of this policy is available at www.cms.gov/mcd, or if you do not have web access, you may contact the contractor to request a copy of the LCD.

It could be due to inappropriate coding relationships in these areas, but not limited to:

- Frequency Relationship
- Condition Code Relationship
- Review Relationship

Please note: This information is not all inclusive of possible impacted claims. LCD/NCD updates are received bi-weekly from the third-party vendor. See the [Provider Manual](#) for more details on LCD/NCDs.