



## How to Read the Medicare Remittance Advice

A Medicare Remittance Advice (MRA) is a notice of payments and adjustments sent to providers, billers and suppliers after a claim has been received and processed. Medicare contractors produce the MRA, which may serve as a companion to a claim payment or as an explanation when there is no payment. The MRA outlines the reimbursement decisions including the reasons for payments and adjustments of processed claims. This job aid is designed to help the provider understand the MRA received from Medicare. TrailBlazer Customer Service instructs the caller to refer to the remittance advice if the question can be answered by accessing the remittance advice.

A provider may receive an MRA from Medicare transmitted in an electronic format called the Electronic Remittance Advice (ERA) or in a paper format called the Standard Paper Remittance (SPR) advice. Although the information featured on the ERA and SPR is similar, the two formats are arranged differently and the ERA offers some data and administrative efficiencies not available in an SPR. Some benefits of choosing an ERA include:

- Payments can be posted electronically to patient accounts. Automatic posting of claims payment and adjustment information improves office efficiency, provides accuracy of account information, reduces paper costs and increases staff productivity.
- The ERA is received in the provider's outbound mailbox the next day after claims are finalized and have met the payment floor. This saves time because there is no waiting for SPRs in the mail.

To learn more about receiving the MRA electronically, call the ERA Provider Support for more information:

(866) 528-1605

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Medicare Part B Easy Print Software is available to convert the ERA files into a readable standard paper remittance that can be printed. TrailBlazer EDI offers software and supporting documentation for the services provided in electronic billing and remittance advices at:

<http://www.trailblazerhealth.com/Electronic Data Interchange/Software - Manuals/>

Several codes have been developed for the MRA. The three major code sets are:


- Group codes.
- Claim Adjustment Reason Codes (CARCs).
- Remittance Advice Remark Codes (RARC).

These codes are defined in the *Medicare Remittance Advice* training manual located at:

<http://www.trailblazerhealth.com/Publications/Training Manual/MRA.pdf>

Every MRA received should accompany one or more of these codes to explain how the claim processed. If there are multiple pages to the MRA, these codes will be located on the last page. TrailBlazer offers a reason code search tool on the Self-Service Web page. Users are able to enter a reason code from their MRA and find the description of the reason code. An associated solution (in red text) is also available from the search.

Example: If the MRA indicates the claim did not process and a reason code of M20 is on the MRA details, enter “M20” in the reason code search, click **Search** and obtain the following message:

<b>Details for Reason Code M20</b> 
Missing/incomplete/invalid HCPCS.
Providers should utilize a current HCPCS manual. Verify the HCPCS code submitted in item 24d or the electronic equivalent, make any necessary changes and resubmit the rejected/unprocessable claim to Medicare.

**Note:** The “B” icon located next to the reason code indicates this reason code applies to Medicare Part B.

This Reason Code Search tool does not include an all-inclusive listing. New codes will be added as they are identified, so visit the site often for updates. The Reason Code Search tool can be found on the TrailBlazer Web site at:

<http://www.trailblazerhealth.com/Tools/ReasonCodeSearch.aspx>

Code sets are also available on the Washington Publishing Company (WPC) Web site at:

<http://www.wpc-edi.com/products/codelists/alertservice>

The CMS Medicare Learning Network<sup>®</sup> (MLN) offers a Web-based training to educate professional providers and suppliers, as well as their billing staffs, with general remittance advice information. To enroll in this or any other MLN training, go to <http://www.cms.gov/MLNProducts/> on the MLN Web site and select **Web-Based Training Modules** under the “Related Links Inside CMS” section.