

“Header”/“Unspecified Claim Adjustment Reason Codes (CARCs)

Header Codes:

ICD-10-CM codes are composed of codes with 3, 4, 5, 6, or 7 characters. Codes with three characters are included in ICD-10-CM as the “heading” of a category of codes that may be further subdivided by the use of fourth and/or fifth characters and/or sixth characters, which provide greater detail.

A three-character code is to be used only if it is not further subdivided. A code is **INVALID** if it has *not been coded to the full number of characters required for that code*, including the 7th character, if applicable. (Found in AMA Draft ICD-10-CM 2015 version pg 4. Section 1.B.2)

Payers have been recommended to use the following CARC/RARC codes to deny claims with “Header Codes”:

16	Claim/service lacks information or has submission/billing error(s) which is needed for adjudication. Do not use this code for claims attachment(s)/other documentation.
M76	Missing/incomplete/invalid diagnosis or condition.

Headers or codes not billed to the full character specification are **INVALID**.

Codes may be found on the CMS Website: <http://www.cms.gov/Medicare/Coding/ICD10/2015-ICD-10-CM-and-GEMs.html>

Under Downloads select “2015 Code Descriptions in Tabular Order”. Headers are marked in position 15 with a ‘0’.

Header Code Example:

The two codes below highlighted in red require additional characters (these are most often defined in the ICD-10-CM code books, however, publishers may vary and may not explain that additional detail is required for billing).

S4234 SPIRAL FRACTURE OF SHAFT OF HUMERUS
S42341 DISPLACED SPIRAL FRACTURE OF SHAFT OF HUMERUS, RIGHT ARM
S42341A DISPLACED SPIRAL FRACTURE OF SHAFT OF HUMERUS, RIGHT ARM, INITIAL ENCOUN
S42341B DISPLACED SPIRAL FRACTURE OF SHAFT OF HUMERUS, RIGHT ARM, INITIAL ENCOUN
S42341D DISPLACED SPIRAL FRACTURE OF SHAFT OF HUMERUS, RIGHT ARM, SUBSEQUENT ENC
S42341 DISPLACED SPIRAL FRACTURE OF SHAFT OF HUMERUS, RIGHT ARM, SUBSEQUENT ENC
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S42341K DISPLACED SPIRAL FRACTURE OF SHAFT OF HUMERUS, RIGHT ARM, SUBSEQUENT ENC
S42341P DISPLACED SPIRAL FRACTURE OF SHAFT OF HUMERUS, RIGHT ARM, SUBSEQUENT ENC
S42341S DISPLACED SPIRAL FRACTURE OF SHAFT OF HUMERUS, RIGHT ARM, SEQUELA

Unspecified Codes:

These codes are identified in the AMA Draft ICD-10-CM 2015 version with a yellow color bar over the code description. Use these codes when neither the diagnostic statement nor the documentation

provides enough information to assign a more specific diagnosis code. These codes may be stated as “Unspecified” or “Not otherwise specified (NOS)”.

NOTE: Do not assign these codes when a more specific diagnosis has been determined. (Found in AMA Draft ICD-10-CM 2015 version Additional Conventions pg. ix)

Example of “unspecified” where a more specific diagnosis could be used:

S42342 DISPLACED SPIRAL FRACTURE OF SHAFT OF HUMERUS, LEFT ARM
S42342A DISPLACED SPIRAL FRACTURE OF SHAFT OF HUMERUS, LEFT ARM, INITIAL ENCOUNTER
S42342B DISPLACED SPIRAL FRACTURE OF SHAFT OF HUMERUS, LEFT ARM, INITIAL ENCOUNTER
S42342D DISPLACED SPIRAL FRACTURE OF SHAFT OF HUMERUS, LEFT ARM, SUBSEQUENT ENCOUNTER
S42342 DISPLACED SPIRAL FRACTURE OF SHAFT OF HUMERUS, LEFT ARM, SUBSEQUENT ENCOUNTER
S42342K DISPLACED SPIRAL FRACTURE OF SHAFT OF HUMERUS, LEFT ARM, SUBSEQUENT ENCOUNTER
S42342P DISPLACED SPIRAL FRACTURE OF SHAFT OF HUMERUS, LEFT ARM, SUBSEQUENT ENCOUNTER
S42342S DISPLACED SPIRAL FRACTURE OF SHAFT OF HUMERUS, LEFT ARM, SEQUELA
S42343 DISPLACED SPIRAL FRACTURE OF SHAFT OF HUMERUS, UNSPECIFIED ARM
S42343A DISPLACED SPIRAL FRACTURE OF SHAFT OF HUMERUS, UNSPECIFIED ARM, INITIAL ENCOUNTER
S42343B DISPLACED SPIRAL FRACTURE OF SHAFT OF HUMERUS, UNSPECIFIED ARM, INITIAL ENCOUNTER
S42343D DISPLACED SPIRAL FRACTURE OF SHAFT OF HUMERUS, UNSPECIFIED ARM, SUBSEQUENT ENCOUNTER
S42343 DISPLACED SPIRAL FRACTURE OF SHAFT OF HUMERUS, UNSPECIFIED ARM, SUBSEQUENT ENCOUNTER
S42343K DISPLACED SPIRAL FRACTURE OF SHAFT OF HUMERUS, UNSPECIFIED ARM, SUBSEQUENT ENCOUNTER
S42343P DISPLACED SPIRAL FRACTURE OF SHAFT OF HUMERUS, UNSPECIFIED ARM, SUBSEQUENT ENCOUNTER
S42343S DISPLACED SPIRAL FRACTURE OF SHAFT OF HUMERUS, UNSPECIFIED ARM, SEQUELA

Payers have been recommended to use the following CARC/RARC codes to use for Denial of “Unspecified Codes”:

16	Claim/service lacks information or has submission/billing error(s) which is needed for adjudication. Do not use this code for claims attachment(s)/other documentation.
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M81	You are required to code to the highest level of specificity.
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Payers have been recommended to use the following CARC/RARC codes to use for Denial of ICD-9/ICD-10 based on dates:

146	Diagnosis was invalid for the date(s) of service reported.
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N657	This should be billed with the appropriate code for these services.
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[CMS announced](#) on July 6th they will not deny claims for “Unspecified Codes” for the 1st year ICD-10 codes are used. Some payers plan to be lenient on unspecified codes as well. Some payers have

indicated that claims with unspecified codes will be paid, and the remittance advice will provide a "Grace Period" warning.