

<b>CMS Manual System</b>	<b>Department of Health &amp; Human Services (DHHS)</b>
<b>Pub 100-20 One-Time Notification</b>	<b>Centers for Medicare &amp; Medicaid Services (CMS)</b>
<b>Transmittal 13493</b>	<b>Date: December 5, 2025</b>
	<b>Change Request 14259</b>

**SUBJECT: Reporting of All Recovery Auditor-Initiated Claim Adjustments and their Subsequent Adjustments for Periodic Interim Payment (PIP) Facilities**

**I. SUMMARY OF CHANGES:** The purpose of this Change Request (CR) is to ensure that Recovery Auditor-initiated adjustments to PIP claims and their subsequent adjustments are accurately recorded on the Provider Statistical & Reimbursement (PS&R) report.

**EFFECTIVE DATE: April 1, 2026**

*\*Unless otherwise specified, the effective date is the date of service.*

**IMPLEMENTATION DATE: April 6, 2026**

*Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.*

**II. CHANGES IN MANUAL INSTRUCTIONS:** (N/A if manual is not updated)

R=REVISED, N=NEW, D=DELETED-Only One Per Row.

<b>R/N/D</b>	<b>CHAPTER / SECTION / SUBSECTION / TITLE</b>
N/A	N/A

**III. FUNDING:**

**For Medicare Administrative Contractors (MACs):**

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

**IV. ATTACHMENTS:**

**One Time Notification**

# Attachment - One-Time Notification

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## II. GENERAL INFORMATION

**A. Background:** CR 7601 (Transmittal 977) was issued in October 2011, with an implementation of April 2, 2012, and an effective date of April 1, 2012, instructing the Fiscal Intermediary Shared System (FISS) to develop a process for sending Recovery Auditor-initiated Periodic Interim Payment (PIP) claim adjustments to the Healthcare Integrated General Ledger Accounting System (HIGLAS) via the 837 interface.

Due to issues with the process, a workgroup was formed in the spring of 2013 to ensure that adjustments were transmitting accurately from FISS to HIGLAS. In the summer of 2014, CMS was alerted that this process was specific to 11X bill types, and all other bill types for PIP providers were placed on hold. Based on subsequent discussions with the workgroup, it has been determined that the process also affects 18X, 21X, 81X, and 82X bill types. The purpose of this CR is to ensure that all Recovery Auditor-initiated adjustments (11H, 18H, 21H, 81H and 82H) to PIP claims and their subsequent adjustments are reported correctly on the PS&R Report.

**B. Policy:** Section 302 of the Tax Relief Act and Health Care Act of 2006.

## III. BUSINESS REQUIREMENTS TABLE

*"Shall" denotes a mandatory requirement, and "should" denotes an optional requirement.*

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FISS	MCS	VMS	CWF	
14259.1	FISS shall continue to send all Recovery-Auditor initiated adjustments to PIP claims to HIGLAS via the 837 interface.  NOTE: CMS anticipates such processes will					X				

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FISS	MCS	VMS	CWF	
	account for the changes made via FS6965, FS7978 and CR9662.									
14259.2	FISS shall include the following bill types in the development of business requirement 14259.1:  • 21X, 18X(Skilled Nursing Facility (SNF))  • 81X, 82X (Part A Hospice)  NOTE: Currently 11x Type of Bills (TOBs) are handled under CR 7601.					X				HIGLAS
14259.3	FISS shall set the PIP PAY AS CASH indicator flag to 'Y' when:  The claim provider payment PIP indicator =“Y”,  The claim Adjustment Reason = RAC Adj “RI”,  RAC-initiated adjustment TOB Frequency = “H” for TOB “18H”, “21H”, “81H” or “82H”.  NOTE: Existing TOBs 11X/11H will continue to process without change.					X				
14259.3.1	FISS shall ensure that both the debit and the credit record of the initial RAC adjustment continue to process as non-PIP.					X				
14259.3.2	FISS shall set the tape-to-tape flag to ‘A’ on the Financial Master File Remittance debit and credit					X				

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FISS	MCS	VMS	CWF	
	record to the first adjustment cross-referenced to the initial RAC adjustment. This adjustment shall also have the PIP Pay as Cash indicator already set to a Y.									
14259.3.3	<p>FISS shall set the tape-to-tape flag to "A" and the PIP Pay as Cash Indicator to "Y" when:</p> <ul style="list-style-type: none"><li>• The record being adjusted is for a PIP provider</li><li>• The original Adjustment Reason Code = RAC Adj "RI"</li><li>• TOB Frequency is not Void/Cancel Prior Claim value "8"</li><li>• The original DCN = the current XREF claim number</li><li>• The original claim PIP Pay as Cash Indicator is blank.</li><li>• RAC-initiated adjustment TOB Frequency = “H” for TOB “18H”, “21H”, “81H” or “82H”.</li></ul> <p>NOTE: When the tape-to-tape flag value is already "B", the value will not be overlaid with “A”.</p>					X				
14259.3.4	<p>FISS shall set the tape-to-tape flag to “A” when:</p> <ul style="list-style-type: none"><li>• Tape-to-tape flag is not = "B".</li><li>• TOB Frequency is not Void/Cancel Prior Claim value "8"</li></ul>					X				

[illegible]

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FISS	MCS	VMS	CWF	
14259.4	<p>The MAC shall use Account Payment and Receivable Invoice number for formatting the digits only of the suppressed adjusted claim number along with the number of A’s present at the end of the FISS adjustment number.</p> <p>NOTE: The Account Payable or Receivable Invoice number shall be based on the claim number of the suppressed adjustment.</p>	X		X						
14259.5	<p>The MAC shall enter the Manual payable invoice for suppressed adjustment in HIGLAS using the below field values:</p> <p>Type:</p> <p>Standard Invoice Number:</p> <p>AP Invoice amount:</p> <p>CPT Interest Indicator DFF: DC</p> <p>Invoice Type DFF: MANUAL</p> <p>Sub Invoice Type DFF: ‘M4_PIP_Claim’</p> <p>Shared System Reason Code:</p> <p>Shared System Discovery Code:</p>	X		X						
14259.6	<p>The MAC shall enter the Manual receivable invoice for suppressed adjustment in HIGLAS using the below field values:</p>	X		X						

[illegible]

[illegible]



Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FISS	MCS	VMS	CWF	
	does not have the RI Adjustment Reason Code, nor the new indicator that the adjustment should be treated as a cash transaction. In order to capture that the entire adjustment is being treated as a cash transaction, PS&R shall look to the debit record to determine how to account for the credit record’s payment basis.									
14259.12	The Recovery Auditor shall not submit any PIP adjustments for TOB = 21X, 18X(Skilled Nursing Facility), or 81X, 82X (Part A Hospice) until the implementation of this CR.									RAC

#### IV. PROVIDER EDUCATION

None

**Impacted Contractors:** None

#### V. SUPPORTING INFORMATION

**Section A: Recommendations and supporting information associated with listed requirements:** N/A

*"Should" denotes a recommendation.*

X-Ref Requirement Number	Recommendations or other supporting information:
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**Section B: All other recommendations and supporting information:** n/a

#### VI. CONTACTS

**Post-Implementation Contact(s):** Contact your Contracting Officer's Representative (COR).

#### VII. FUNDING

**Section A: For Medicare Administrative Contractors (MACs):**

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**ATTACHMENTS: 0**