



## Prospective Payment System Hospital Interim Billing: New Monthly Adjustment Process

Related Change Request (CR) Information	
<b>Number:</b> <a href="#">14416</a>	<b>Release Date:</b> April 10, 2026
<b>Effective Date:</b> October 1, 2024	<b>Implementation Date:</b> October 5, 2026
<b>Transmittal Number:</b> R13725CP	
<b>Title:</b> New Monthly Adjustment Process for Prospective Payment System (PPS) Hospital Interim Bills Verifying Patient Status and Service Dates	

### Affected Providers

- Hospitals
- Inpatient rehabilitation facilities (IRFs)
- Inpatient psychiatric facilities (IPFs)
- Long-term care hospitals (LTCHs)
- Other providers billing Medicare Administrative Contractors (MACs) for inpatient services

### Action Needed

Make sure your billing staff knows about these updates, effective for hospital discharges on or after October 1, 2024:

- New monthly adjustment process for Prospective Payment System (PPS) hospital inpatient claims
- Enforcing correct interim billing procedures by verifying patient status and correctly applying benefit days

### Key Updates

CR 14416 introduces no new policy. These changes implement a new monthly adjustment process to enforce existing payment determinations for providers under section 1815 of the [Social Security Act](#).

CMS pays different types of providers based on various payment policies and provider circumstances. Medicare billing requirements balance program administration efficiency and maintaining provider cash flow. Shared system maintainers ensure provider compliance with these requirements.

## PPS Hospitals

Inpatient acute care PPS hospitals, IRFs, LTCHs, and IPFs may submit interim bills at intervals of at least 60 days. Subsequent bills must be in the adjustment bill format.

All inpatient providers must submit a bill when a patient exhausts their benefits. This allows you to bill a secondary insurer once we stop payment. You must use patient status code 30 (still patient) on initial inpatient interim claims. Use type of bill (TOB) 112 (interim bill – first claim) when submitting interim PPS hospital bills. When Medicare Part A MACs get a subsequent bill, they must cancel the previous bill and replace it with 1 of these:

- TOB 117 with patient status code 30 for subsequent interim bills
- TOB 117 with patient status code other than 30 for subsequent discharge bills

Regardless of a previous bill date (if any), submit bills when the:

- Patient exhausts their benefits
- Patient no longer needs hospital-level care (all hospitals)
- Patient falls below a skilled level of care (skilled nursing facilities and hospital swing beds)
- Hospital discharges the patient

When a patient exhausts their benefits in an IPF or LTCH, the hospital can submit a no-pay bill (TOB 110) with patient status code 30 in 60-day increments until discharge. IPF and LTCH providers don't have to continually adjust bills until the patient's physical discharge or death. Include the patient discharge status code on the final bill.

## More Information

We issued CR 14416 to your MAC as the official instruction for this change. For more information, find your [MAC's website](#).

## Document History

Date of Change	Description
April 13, 2026	Initial article released.

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