

<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 13625</b>	<b>Date: February 6, 2026</b>
	<b>Change Request 14259</b>

**Transmittal 13493 issued December 05, 2025, is being rescinded and replaced by Transmittal 13625, dated February 6, 2026, to make FISS requested changes to the Business Requirements (BRs) by revising BRs 14259.2 through 14259.4, and 14259.8. In addition, this correction removes BR 14259.1. All other information remains the same.**

**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

Pub. 100-20	Transmittal: 13625	Date: February 6, 2026	Change Request: 14259
-------------	--------------------	------------------------	-----------------------

**Transmittal 13493 issued December 05, 2025, is being rescinded and replaced by Transmittal 13625, dated February 6, 2026, to make FISS requested changes to the Business Requirements (BRs) by revising BRs 14259.2 through 14259.4, and 14259.8. In addition, this correction removes BR 14259.1. All other information remains the same.**

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

**EFFECTIVE DATE: April 1, 2026**

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

**IMPLEMENTATION DATE: April 6, 2026**

**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.

## **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			D M E M A C	Shared- System Maintainers				Other	
		A	B	H H H		F I S S	M C S	V M S	C W F		
14259.1	This business requirement has been deleted.					X					
14259.2	FISS shall process Recovery-Auditor initiated adjustments to PIP claims for TOBs 21X, 18X (Skilled Nursing Facility (SNF)) and 81X, 82X (Part A Hospice)					X					
14259.3	<p>FISS shall set the PIP PAY AS CASH indicator flag to 'Y' when:</p> <p>The claim provider payment PIP indicator =“Y”,</p> <p>The claim Adjustment Reason = RAC Adj “RI”,</p> <p>RAC-initiated adjustment TOB Frequency = “H” for TOB “18H”, “21H”, “81H” or “82H”.</p> <p>NOTE: Existing TOBs 11X/11H will continue to process without change.</p>					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 record on the initial RAC adjustment. This adjustment shall also have the PIP Pay as Cash indicator already set to a Y.					X					
14259.3.3	<p>FISS shall set the tape-to-tape flag to "A" and the PIP Pay as Cash Indicator to "Y" on subsequent adjustment 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> </ul>					X					

Number	Requirement	Responsibility										
		A/B MAC			D M E M A C	Shared- System Maintainers				Other		
		A	B	H H H		F I S S	M C S	V M S	C W F			
	<ul style="list-style-type: none"> <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>											
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> <li>PIP Pay as Cash Indicator = "Y"</li> </ul> <p>AND</p> <ul style="list-style-type: none"> <li>RAC-initiated adjustment TOB Frequency = "H" for TOB "18H", "21H", "81H" or "82H".</li> <li>Adjustment Reason = RAC Adj "RI"</li> <li>Claim is for a PIP provider</li> </ul> <p>OR</p> <ul style="list-style-type: none"> <li>The record being adjusted is for a PIP provider.</li> <li>RAC-initiated TOB Frequency value is NOT = "H" for TOBs "18X", "21X", "81X" or "82X"</li> </ul> <p>NOTE: Existing TOBs 11X/11H will continue to process without change.</p>					X						
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								

Number	Requirement	Responsibility								
		A/B MAC			D M E M A C	Shared- System Maintainers				Other
		A	B	H H H		F I S S	M C S	V M S	C W F	
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> <p>Class: Invoice</p> <p>AR Transaction Amount:</p> <p>AR Transaction/Invoice Number:</p> <p>Transaction Type:</p> <p>Reference: mother claim number</p> <p>Transaction DFF: claim number field for mother claim number</p> <p>Context Value: Manual</p> <p>Invoice Type DFF: MANUAL</p> <p>Sub Invoice Type DFF: 'M4_PIP_Claim'</p>	X		X						



Number	Requirement	Responsibility										
		A/B MAC			D M E M A C	Shared- System Maintainers				Other		
		A	B	H H H		F I S S	M C S	V M S	C W F			
	identified by the new field.											
14259.11	The PS&R System shall base the payment method for a credit record for a PIP claim on the value in the new field for the paired debit record. The values of the initial RAC credit mirror the preceding debit in FISS, which means it 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.											PS&R
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:

**Section B: All other recommendations and supporting information:** n/a

#### VI. CONTACTS

**Pre-Implementation Contact(s):** Ashley Badami, 410-786-0828 or Ashley.Badami@cms.hhs.gov , Owen Osaghae, 410-786-7550 or Owen.osaghae@cms.hhs.gov

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

## **VII. FUNDING**

### **Section A: 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.

**ATTACHMENTS: 0**