CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-20 One-Time Notification	Centers for Medicare & Medicaid Services (CMS)
Transmittal 13882	**Date: July 23, 2026**
	Change Request 14529

SUBJECT: Modify the Application Logic to Conditionally Retain the Medicare Carrier System (MCS) Medicare Secondary Payer (MSP) Claim Trailer Based on Specific Common Working File (CWF) Error Codes, Dispositions, and Override Values

I. SUMMARY OF CHANGES: The purpose of this Change Request (CR) is to re-design the MCS processing of the CWF MSP response to ensure that claims denied by receipt of a CWF MSP error are re-transmitted with the correct MSP information. This provides MACs with the ability to remove the CWF MSP trailer information when discrepancies are found in the returned CWF information. The system will prevent the distribution of false data to downstream systems by preventing the incorrect overlay of the 03 trailer.

EFFECTIVE DATE: April 1, 2027
**Unless otherwise specified, the effective date is the date of service.*
IMPLEMENTATION DATE: January 4, 2027 - Coding and Development; April 5, 2027 - Coding, Testing, and Implementation

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.*

R/N/D	CHAPTER / SECTION / SUBSECTION / TITLE
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: Currently, the MCS system automatically overlays the internal MCS MSP Claim Trailer with the MSP 03 trailer from CWF every time a response is received. However, if CWF denies a claim with a changed trailer, the system incorrectly continues to process the claim based on the previous trailer. This results in false information regarding the other insurance company being transmitted to 1-800 Medicare and the provider community. Additionally, MACs currently lack the ability to remove/suppress the CWF MSP trailer when discrepancies are identified.

B. Policy: The MCS shared system must prevent the distribution of false data to downstream systems by preventing the incorrect overlay of the 03 trailer. This will allow MSP claims to process efficiently and correctly.

III. BUSINESS REQUIREMENTS TABLE

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

Number	Requirement	Responsibility								
		A/B MAC			DME	Shared-System Maintainers				Other
		A	B	HHH	MAC	FISS	MCS	VMS	CWF	
14529.1	MCS shall update how the CWF 03 Trailer from the Beneficiary Data Streamlining (BDS)/CWF is applied to the MCS MSP Claim Trailer.						X			
14529.1.1	The MCS MSP Claim Trailer shall be replaced with the						X			

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		A/B MAC			DME	Shared-System Maintainers				Other
		A	B	HHH	MAC	FISS	MCS	VMS	CWF	
	CWF 03 trailer information in the following scenarios: • When BDS/CWF returns an MSP error that is set up by the MAC to apply a cost avoid denial and re-transmit to CWF and the claim does not have MSP information. Note, the claim cost avoid denial shall be based on the insurer information from the CWF 03 Trailer, and • When CWF sends an acceptance response with the 03 trailer and the MCS MSP Claim trailer is blank.									
14529.1.2	The MCS MSP Claim Trailer shall be retained when CWF sends an acceptance response with the 03 trailer and the MCS MSP Claim trailer is not blank						X			
14529.2	MCS shall create functionality allowing the MAC to remove the CWF 03 trailer information from the claim when BDS/CWF returns an MSP error that is set up to suspend.						X			
14529.2.1	The Part B MACs shall use this new functionality to conduct maintenance on the CWF Error Code file and/or update guidelines to use the new functionality as necessary.		X							

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

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

VII. FUNDING

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ATTACHMENTS: 0