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Bypassing Common Working File Edits on Inpatient Medicare Part B Ancillary 12X Claims: Effective Date Change

Related CR Release Date: July 31, 2025	**MLN Matters Number:** MM14185
Effective Date: January 5, 2026 – Effective for any date of service processed on or after January 5, 2026	**Related Change Request (CR) Number:** CR 14185
Implementation Date: January 5, 2026	**Related CR Transmittal Number:** R13341OTN
Related CR Title: Effective Date Change for Bypass of Common Working File (CWF) Edits on Inpatient Ancillary 12X Claims for Part A Benefits Exhaust	

Affected Providers

- Physicians
- Suppliers
- Hospitals
- Other providers billing Medicare Administrative Contractors (MACs) for hospital services

Action Needed

Make sure your billing staff knows about these updates to the effective date for the bypass of Common Working File (CWF) editing on inpatient Medicare Part B ancillary 12X claims previously added with CR 13810:

- The bypass logic applies to claims processed on or after January 5, 2026
- MACs will have time to reprocess claims you resubmit that they previously rejected in error

Background

Hospitals either must directly provide all items and non-physician services given to Medicare patients or bill these items and services under arrangements. This applies to all hospitals, regardless of whether they're subject to the prospective payment system. Medicare pays under Part B for the limited set of non-physician medical and other health services provided. See the Medicare Benefit Policy Manual, Chapter 6, section 10.2.

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Key Updates

Currently, the CWF performs editing to detect and prevent duplicate billing of non-physician outpatient services for an inpatient hospital admission to the same facility or to another facility. We allow a bypass of this editing for inpatient Part B ancillary services billed on the 12X claim for dates of service after the patient has exhausted their Medicare Part A benefits, when the inpatient claim receives a cost outlier payment.

CR 13810 added additional editing to allow a bypass for situations where:

- The patient has exhausted their Part A benefits during the inpatient stay
- The inpatient claim exceeds a cost outlier threshold
- The patient has no lifetime reserve days available

We allow service dates outside the inlier portion of the stay, reported with occurrence span code 70, to process claims for payment consideration for reported stays featuring:

- Inpatient Prospective Payment System payment
- Long-term care hospitals
- Inpatient rehabilitation facilities

CR 14185 updates the effective date of this bypass logic on claims for any dates of service processed on or after January 5, 2026.

This instruction only changes the effective date for the bypass logic. All other existing edit and bypass criteria remain the same.

More Information

We issued CR 14185 to your MAC as the official instruction for this change. For more information, find your MAC's website.

Document History

Date of Change	Description
August 5, 2025	Initial article released.