CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-20 One-Time Notification	Centers for Medicare & Medicaid Services (CMS)
Transmittal 13187	**Date: April 24, 2025**
	Change Request 14006

SUBJECT: Create a New Adjustment Reason Code for Adjustments Created When the Provider Didn't Respond to an Additional Documentation Request (ADR)

I. SUMMARY OF CHANGES: The purpose of this Change Request (CR) is to create a new Health Insurance General Ledger Accounting System (HIGLAS) adjustment code to be applied when a payment is recouped because the provider didn't respond to a post-payment ADR. The new adjustment code will trigger specific language on the HIGLAS demand letter to explain the reason for the recoupment.

EFFECTIVE DATE: October 1, 2025
*Unless otherwise specified, the effective date is the date of service.
IMPLEMENTATION DATE: October 6, 2025

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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I.   SUMMARY OF CHANGES: The purpose of this Change Request (CR) is to create a new Health Insurance General Ledger Accounting System (HIGLAS) adjustment code to be applied when a payment is recouped because the provider didn't respond to a post-payment ADR. The new adjustment code will trigger specific language on the HIGLAS demand letter to explain the reason for the recoupment.

II.   GENERAL INFORMATION

A.   Background: Part A providers have a limited timeframe to respond to post-payment Additional Documentation Requests (ADRs). If no response is received, the claim is adjusted to recoup the payment. The adjustment is rejected or denied with a Fiscal Intermediary Shared System (FISS) reason code using adjustment reason code OT (Other). When the over-payment is created in HIGLAS with adjustment reason code OT, the demand letter does not specify that the recoupment is due to failure to submit requested documentation.

This CR will create a new FISS adjustment reason code and a new HIGLAS adjustment code. The new HIGLAS adjustment code will trigger specific messaging on the demand letter. The specific messaging on the demand letter will improve customer service, allowing the providers to easily identify the reason for the recoupment.

B.   Policy: There is no policy impact. This is a technical change to improve operational efficiencies.

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	
14006.1	Contractors shall make table/file updates to create a new adjustment reason code, to use when denying	X		X		X				HIGLAS

Number	Requirement	A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FISS	MCS	VMS	CWF	
	claims for Additional Documentation Request (ADR) responses not received by the request deadline. Reason code 'MD' – The description for the new Reason code is 'Additional Documentation Request (ADR) record not received timely'.									
14006.2	HIGLAS shall map the Shared System Reason code 'MD' to the HIGLAS Reason Code 'MD' for Part A MACs.									HIGLAS
14006.3	Contractors shall use the Reason Code 'MD' to create adjustments when an ADR response is not received timely.	X		X						
14006.4	Contractors shall ensure the appropriate 935 Indicator is set for these adjustments.	X		X						
14006.5	Contractors shall follow the standard 935/non-935 recoupment process for these adjustments depending on the value in the 935 indicator.	X		X						
14006.6	HIGLAS shall map the Reason Code 'MD' to existing Part A transaction types. APROV-CLA (Non-935 overpayment) APROV-CLA-935 (935 overpayment) ABENE-CLA (Beneficiary non-935 overpayment)									HIGLAS
14006.7	Contractors shall use the following verbiage for the 'Reason for Overpayment' in the provider (Part A) demand letter enclosure for the new HIGLAS Reason code 'MD': 'This claim adjustment was due to Additional Documentation Request (ADR) records not being received by the request deadline.'									HIGLAS
14006.8	Contractors shall use the following verbiage for the 'Reason for Overpayment' in the beneficiary (Part A)									HIGLAS

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FISS	MCS	VMS	CWF	
	demand letter enclosure for the new HIGLAS Reason Code 'MD': "The claim was processed incorrectly causing an overpayment to be made." Spanish Translation: "La reclamación fue procesada incorrectamente ocasionando un pago en exceso."									
14006.9	Contractors shall complete full round-trip testing to validate the HIGLAS functionality.	X		X						
14006.10	FISS shall coordinate with the HIGLAS maintainer to complete integration testing during shared system round-trip testing.					X				HIGLAS

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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