IRM PROCEDURAL UPDATE

DATE: 11/02/2016

NUMBER: wi-21-1116-1624

SUBJECT: Clarification for Patient-Centered Outcomes Research (PCOR) Fee; Credit Reference Numbers (CRNs) and Data Reference Numbers (DRNs)

AFFECTED IRM(s)/SUBSECTION(s): 21.7.8.4.1.5.1

CHANGE(s):

IRM 21.7.8.4.1.5.1 Updated (5) with Credit Reference Numbers (CRNs) and Data Reference Numbers (DRNs). Removed (6) and (7) and renumbered remaining paragraphs.

5. Use a TC 29X and IRS No. 133 on MFT to adjust the tax. There are also fields for the number of lives and the fee amount which are captured by Submission Processing. These fields are displayed on Command Code (CC) TXMOD and CC BMFOL and must be addressed when inputting an adjustment. Data Reference Numbers (DRN) and Credit Reference Numbers (CRN) are available to adjust the fields. Below is the chart:
For the periods June 30, 2013 through June 30, 2015:

PCORI Description	Displayed on TXMOD/BMFOL	Adjust with DRN (Overlay) or CRN (Adjust)
Specified Health Insurance Policies Average Number of Lives Covered	TXMOD: SHIP-LIVES BMFOL: SHIP COUNT	DRN: 906 (Overlay)
Specified Health Insurance Policies Amount	TXMOD: SHIP BMFOL: SHIP AMT	CRN: 813 (Adjust)
Applicable Self-Insured Health Plans Average Number of Lives Covered	TXMOD: ASIHP-LIVES BMFOL: ASIHP	DRN: 907 (Overlay)

	COUNT	
Applicable Self-Insured Health Plans Amount	TXMOD: ASIHP BMFOL: ASIHP AMT	CRN: 814 (Adjust)

For the period June 30, 2016 and subsequent, the Form 720 was expanded and additional fields were developed to capture the expanded fields. The displays on CC TXMOD and CC BMFOL are:

PCORI Description	Displayed on TXMOD/BMFOL	Adjust with DRN (Overlay) or CRN (Adjust)
Specified Health Insurance Policies Average Number of Lives Covered for policy years ending before October 1st	TXMOD: SHIP-LIVES BMFOL: SHIP COUNT	DRN: 906 (Overlay)
Specified Health Insurance Policies Amount for policy years ending before October 1st	TXMOD: SHIP BMFOL: SHIP AMT	CRN: 813 (Adjust)
Specified Health Insurance Policies Average Number of Lives Covered for policy years ending on or after October 1st	TXMOD: SHIP-LIVES-OCT-CNT BMFOL: SHIP COUNT OCT	DRN: 908 (Overlay)
Specified Health Insurance Policies Amount for policy years ending on or after October 1st	TXMOD: SHIP-OCT-AMT BMFOL: SHIP AMT OCT	CRN: 815 (Adjust)
Applicable Self-Insured Health Plans Average Number of Lives Covered for policy years ending before October 1st	TXMOD: ASIHP-LIVES	DRN: 907 (Overlay)

	BMFOL: ASIHP COUNT	
Applicable Self-Insured Health Plans Amount for policy years ending before October 1st	TXMOD: ASIHP BMFOL: ASIHP-AMT	CRN: 814 (Adjust)
Applicable Self-Insured Health Plans Average Number of Lives Covered for policy years ending on or after October 1st	TXMOD: ASIHP-LIVES-OCT-CNT BMFOL: ASIHP COUNT	DRN: 909 (Overlay)
Applicable Self-Insured Health Plans Amount for policy years ending on or after October 1st	TXMOD: ASIHP-OCT-AMT BMFOL: ASIHP AMT OCT	CRN 816 (Adjust)

CAUTION: Due to processing and programming issues with the SHIP-LIVES and ASIHP-LIVES fields, the fields for the tax period June 30, 2013 must be reviewed for accuracy and, if necessary, corrected whenever an original or amended return is available.

NOTE: The SHIP-LIVES, ASIHP-LIVES, SHIP-LIVES-OCT-CNT, and ASIHP-LIVES-OCT-CNT are overlay informational fields and do not adjust up and down. When adjusting the lives field , you must overlay the count field with the new total number of lives regardless of previous adjustments. The ADJ54 DRN field contains ten digits and requires zero(s) to the left of the amount. A lives count of 85,000 must be input as 0000085000. These are adjustable amount fields, but will never post below zero (negative amount).

NOTE: The SHIP, SHIP-OCT-AMT, ASIHP and ASIHP-OCT-AMT fields adjusts up and down with the input of CRNs 813, 814, 815 and 816. They are combined to determine the IRS No. 133 tax liability amount. See Form 720, Part II IRS No. 133 for additional line details.

EXAMPLE: The original return reports IRS No. 133 as $10,250.00. The SHIP is $10,250.00 and the SHIP-LIVES display is 10250. If the taxpayer files an amended return and reports SHIP-LIVES as 12,250, SHIP as $12,250.00, and IRS No. 133 as $12,250.00, the adjustment should include TC 290 for 2,000.00, IRS No. 133 for 2,000.00, CRN 813 for 2,000.00, and DRN 906 for 0000012250.

EXAMPLE: The original return reports IRS No. 133 as $40,000.00. The SHIP is $25,000.00, SHIP-LIVES display is 25000, ASIHP is $15,000.00, and ASIHP-LIVES display is 15000. If the taxpayer files an amended return and reports SHIP-LIVES as 25,000, SHIP as $25,000.00, ASHIP LIVES as 45,000, ASIHP as $45,000.00, and IRS No. 133 as $70,000.00, the adjustment should include TC 290 for 30,000.00, IRS No. 133 for 30,000.00, CRN 814 for 30,000.00, and DRN 907 for 0000045000.

6. If the ADJ54 screen is unable to handle all the necessary reference numbers, then multiple adjustments must be input. Use Posting Delay Code (PDC) 1 on the second adjustment to allow one posting per cycle.
7. Credit Reference Number (CRN) 439 is used to report Schedule C claims.
8. Form 720X is used to make adjustments to previously filed tax returns.
9. If the taxpayer files an amended tax return with IRS No.133 present, check the filing requirement code (FRC). See IRM 21.7.8.4.1.1, *Form 720, Filing Requirements*, for additional FRC information. If the taxpayer is only reporting IRS No. 133, the appropriate FRC is 4. If the FRC is not 4, review the quarters of the previous and current calendar year to determine the IRS No. filing history. If the account history shows multiple IRS Nos. reported on Form 720, the appropriate FRC is 1. If necessary, update the FRC using CC ENREQ.