CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-20 One-Time Notification	Centers for Medicare & Medicaid Services (CMS)
Transmittal 1286	**Date: August 16, 2013**
	Change Request 8414

SUBJECT: Handling Bankrupt Suppliers within VMS

I. SUMMARY OF CHANGES: This CR will allow for systems changes within VMS to create bankruptcy reporting and continued analysis and design for additional VMS changes.

EFFECTIVE DATE: January 1, 2014
IMPLEMENTATION DATE: January 6, 2014

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	

III. FUNDING:
For Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs) and/or Carriers:
No additional funding will be provided by CMS; Contractors activities are to be carried out with their operating budgets

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 obliged 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

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

Attachment - One-Time Notification

Pub. 100-20	Transmittal: 1286	Date: August 16, 2013	Change Request: 8414

SUBJECT: Handling Bankrupt Suppliers within VMS

EFFECTIVE DATE: January 1, 2014
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I. GENERAL INFORMATION

A. Background: The VMS system lacks the functionality to control and properly identify accounts receivables and accounts payables for bankrupt suppliers. There is an urgent need to develop VMS changes to identify and track accounts receivable and payable information, supply system generated reports and to include functions for the bankruptcy status that would allow the DME MACs to hold claims that precede the bankruptcy filing date and release claims that are on or after the bankruptcy filing date. The bankruptcy flag that is currently in use places the VMS system in a single state of payment. The system needs to be in a dual state or an automatic "on" or "off" state so that CMS can separate the receivables and payables around the bankruptcy filing date. The DME MACs have been using the "DNF Flag" as a substitute but this option does not have the capability to identify receivables and payables in a timely manner or the capability to control payments. To achieve this functionality, the system must first be capable of quickly identifying, separating, and tracking the accounts receivables and payables across the DME MAC regions.

CMS' ability to obtain timely and consistent reporting for claims processed in VMS is significantly reduced for suppliers that have claims processing in more than one DME MAC region. There is no means by which to generate a report in VMS to determine the claims accounts receivables and payables present at each of the DME MAC regions for a single supplier. This information would have to be obtained by contacting each of the DME MACs and have them run a separate report and return it to the requester. This process has been proven to be inefficient and potentially costly when attempting to recover Medicare overpayments. In the event a supplier files for bankruptcy, CMS needs to be able to obtain this information without delay to prevent financial losses to the Medicare Trust Fund.

CMS is requesting to conduct analysis and design sessions to discuss what changes need to be made to VMS to achieve the aforementioned objectives. The analysis and design sessions will include personnel from CMS, the VMS shared systems maintainer and the DME MACs. If other entities are required to participate in the analysis and design sessions, CMS will request their participation.

Additionally, when a supplier files for bankruptcy, CMS has to respond to the case within two weeks. Recently, there have been additional suppliers filing bankruptcy, and there is a need for ad-hoc reporting. As part of CR 8310, Transmittal 1237 (October 2013), the VMS shared systems maintainer and the DME MACs created ad-hoc Excel spreadsheets to report overpayment information related to two large bankruptcies. The ad-hoc software that the VMS shared systems maintainer developed shall become an on-request job within VMS' base system. When CMS needs overpayment information related to future bankrupt suppliers, the DME MACs can request the EDC to run the VMS on-request base job. CMS will supply DME MACs with the NSC IDs and pre-petition dates of these suppliers as the notification of the suppliers' bankruptcy filing is received. As a result of executing the VMS on-request base job, the DME MACs shall deliver the ad-hoc Excel spreadsheets to CMS as soon as possible or at most within two weeks of receipt of the NSC IDs and pre-petition dates. CMS will continue to utilize IDR to gather claim information as it relates to a bankrupt supplier.

B. Policy: N/A

II. BUSINESS REQUIREMENTS TABLE

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

Number	Requirement	Responsibility											
		A/B MAC			DME MAC	FI	CARRIER	RHHI	Shared-System Maintainers				Other
		A	B	HHH					FISS	MCS	VMS	CWF	
8414.1	The VMS shared systems maintainer shall create an on-request base job that creates 2 files of overpayment information mirroring the content and layout of the ad-hoc files that were generated under CR8310. Use attachment "Overpayment File Layout VMS" as a guide for the content and format of the file.										X		
8414.1.1	The files created as a result of requirement 8414.1 shall only include active overpayments (i.e. Current Balance is greater than $0.00).										X		
8414.2	CMS shall provide a list of NSC IDs for the bankrupt suppliers to the DME MACs.												CMS
8414.2.1	CMS shall provide the petition dates for the bankrupt suppliers to the DME MACs.												CMS
8414.3	The DME MACs shall enter the NSC IDs and petition date for a given bankrupt supplier into the specified fields/files of the VMS on-request base job and request the EDC to run the on-request base job. **NOTE**: The on-request job can only be executed for one bankrupt supplier at a time. That is, the job will be able to handle multiple NSC IDs, but only one petition date.				X								
8414.3.1	The EDC shall execute the on-request job and notify the DME MAC when it completes.												EDCs
8414.4	The DME MACs shall provide CMS separate Excel spreadsheet reports for the bankrupt suppliers to CMS as soon as possible or at most within two weeks of receipt of the NSC IDs and petition dates.				X								CMS
8414.5	CMS shall continue to utilize IDR to gather claim information as it relates to a bankrupt supplier.												CMS
8414.6	Contractors shall participate in analysis and design sessions with CMS staff on a weekly basis				X						X		CMS, NSC,

Number	Requirement	Responsibility											
		A/B MAC			DME MAC	FI	CARRIER	RHHI	Shared-System Maintainers				Other
		A	B	HHH					FISS	MCS	VMS	CWF	
	regarding the requirements for implementing changes into VMS to handle the modification of the existing bankruptcy flag to hold claim payments by claim line (pre-petition vs post-petition) and the identification, tracking and reporting of data for bankrupt suppliers across DME MAC regions.												PECOS
8414.7	The VMS shared systems maintainer shall develop and maintain a weekly tracking log, documenting outstanding issues, assumptions and agreements with CMS on the requirements for implementing changes into VMS to handle the identification and tracking of data for bankrupt suppliers.										X		
8414.7.1	The VMS shared systems maintainer shall provide the updated tracking log, on a weekly basis, to the following CMS contacts: Joanne Jackson - Joanne.Jackson@cms.hhs.gov Michael Abel - Michael.Abel@cms.hhs.gov										X		
8414.8	Contractors shall perform analysis and make implementation recommendations to CMS concerning issues raised during the analysis and design sessions relating to the implementation of changes into VMS to handle ongoing bankrupt suppliers.				X						X		NSC, PECOS
8414.8.1	Contractors shall assist in the analysis and design efforts by providing support where appropriate (e.g. clarifying assumptions, identifying issues, etc.).				X								NSC, PECOS
8414.9	The VMS shared systems maintainer shall submit an analysis and design document with assumptions and agreements from discussions with CMS and other contractors for implementing changes into VMS for handling ongoing bankrupt suppliers. The document shall also include proposed business requirements for a future system change CR (e.g. Reporting from VMS base process, PECOS interaction with VMS, desk procedure changes for the DME MACs, changes to existing VMS online and batch processes, etc.).										X		CMS

Number	Requirement	Responsibility											
		A/B MAC			DME MAC	FI	CARRIER	RHHI	Shared-System Maintainers				Other
		A	B	HHH					FISS	MCS	VMS	CWF	
	The due date of the document will be determined by CMS and the VMS shared systems maintainer.												

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility							
		A/B MAC			DME MAC	FI	CARRIER	RHHI	Other
		A	B	HHH					
	None								

IV. 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

V. CONTACTS

Pre-Implementation Contact(s): Joanne Jackson, 215-861-4388 or joanne.jackson@cms.hhs.gov

Post-Implementation Contact(s): Contact your Contracting Officer's Representative (COR) or Contractor Manager, as applicable.

VI. FUNDING

Section A: For Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs), and/or Carriers:
No additional funding will be provided by CMS; Contractors activities are to be carried out with their operating budgets

Section B: For Medicare Administrative Contractors (MACs):
The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS do 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.

Attachment (1)

The VMS shared systems maintainer will produce 2 files containing the information for a bankrupt supplier:

File #1 Description: This file contains receivables that only have pre-petition claims (prior to the petition date) as well as those receivables that have multiple claims that are pre-petition and post-petition (prior, on or after the petition date). The From Date of service can be found in field # 13.

File #2 Description: This file contains receivables that only have post-petition claims (on and after the petition date). The From Date of service can be found in field # 13.

The table below illustrates the positioning of the various fields. These files are sorted by the Tax ID field, ascending.

Field #	Field	Starting Position	Ending Position	Number of Positions	Description
1	Contactor ID	1	5	5	5-byte contractor ID (i.e. 16003, 17003, 18003, 19003)
	Comma	6	6	1	A comma (,) will be in this field
2	Create Date of File	7	14	8	The date the file was created from VMS base process. Format is MMDDCCYY.
	Comma	15	15	1	A comma (,) will be in this field.
3	TAX ID	16	25	10	APPL/1/H1 Provider Header1, SSN/EIN: (Copybook = VMSFCPRA, (*)-PROVIDER-SSN)
	Comma	26	26	1	A comma (,) will be in this field.
4	NSC ID/PTAN	27	36	10	MONI Receivable Header Detail, PAYEE #: (Copybook = VMSFAC01, (*)-H-PAYEE-NUMBER)
	Comma	37	37	1	A comma (,) will be in this field.
5	A/R # (DCN)	38	51	14	MONI Receivable Header Detail, DCN: (Copybook = VMSFAC01, (*)-H-DCN and (*)-H-DCN-SEQUENCE).
	Comma	52	52	1	A comma (,) will be in this field.
6	Date of Initial Overpayment Letter	53	60	8	MONI Receivable Header Detail, LETTER: (Copybook = VMSFAC01, (*)-H-ORIG-LETTER-DT). If the Letter Date is not available, the create date will be used. MONI Receivable Header Detail, CREATED: (Copybook = VMSFAC01, (*)-H-REC-CREATE-DATE). Format is MMDDCCYY.
	Comma	61	61	1	A comma (,) will be in this field.

7	Original Overpayment Amount	62	73	12	MONI Receivable Header Detail, OVERPAYMENT AMT: (Copybook = VMSFAC05, (*)-T-ORIG-OVRPYMT). Format is 999999999.99
	Comma	74	74	1	A comma (,) will be in this field.
8	Balance of Overpayment	75	86	12	MONI Receivable Header Detail, CURRENT BALANCE: (Copybook = VMSFAC05, (*)-T-CURR-BALANCE). Format is 999999999.99
	Comma	87	87	1	A comma (,) will be in this field.
9	Interest Accrued for Overpayment	88	99	12	MONI Receivable Header Detail, INTEREST ACCRUED: (Copybook = VMSFAC05, (*)-T-INT-ACCRUED). Format is 999999999.99
	Comma	100	100	1	A comma (,) will be in this field.
10	Interest Balance of Overpayment	101	112	12	MONI Receivable Header Detail, REMAINING INTEREST: (Copybook = VMSFAC05, (*)-T-REMAIN-INT). Format is 999999999.99
	Comma	113	113	1	A comma (,) will be in this field.
11	Current Status of the Receivable	114	115	2	DME MAC Status Tables and can be dependent upon the individual DME MAC. (Copybook = VMSFAC01, (*)-H-STATUS-ENTRY(1)).
	Comma	116	116	1	A comma (,) will be in this field.
12	Current Status Date of the Receivable	117	124	8	The date the receivable entered the current status. (Copybook = VMSFAC01, (*)-H-STATUS-DATE(1)). Format is MMDDCCYY.
	Comma	125	125	1	A comma (,) will be in this field.

13	Is the Overpayment currently collectible?	126	126	1	Valid values = Y or N Set to N when one of the following is true: 1) The letter (or create) date is less than or equal to 41 calendar days from the date the data is extracted. Examples (05/23/13 extraction date): a) The letter date = 01/15/13, set the field to 'Y'. b) The letter date = 05/01/13, set the field to 'N'.
	Comma	127	127	1	A comma (,) will be in this field.
14	Does the receivable contain pre-petition and post-petition claims?	128	128	1	Valid values = Y or N Set to N when the claims on the receivable are all pre-petition or all post-petition. Set to Y when the receivable contains pre-petition and post-petition claims and the overpayment information is on the pre-petition file.
	Comma	129	129	1	A comma (,) will be in this field.
15	CCN	130	143	14	MONI Receivable Claims List, CCN (Copybook = VMSFAC06, (*)-C-CLAIM-CCN-NUMBER). If extrapolated receivable (no claim records), set the field to spaces.
	Comma	144	144	1	A comma (,) will be in this field.
16	Adjustment Amount of the CCN	145	154	10	MONI Receivable Claims List, ADJ-OVRPAY (Copybook = VMSFAC06, (*)-C-ADJUSTMENT-AMOUNT). If extrapolated receivable (no claim records), set the field to zeroes. Format is 9999999.99
	Comma	155	155	1	A comma (,) will be in this field.

17	From Service Date	156	163	8	MONI Receivable Header Detail, FM SERVC (Copybook = VMSFAC06, (*)-C-CURR-SER-DATE-FROM). Format is MMDDCCYY. If extrapolated receivable (no claim records), set the field to spaces.
	Comma	164	164	1	A comma (,) will be in this field.
18	Does the CCN from field #11 contain at least one claim line that is Competitive Bid?	165	165	1	Valid values = Y or N Set to N when all the claim lines on the claim (field #11) are all non-Competitive Bid. Set to Y when at least one claim line on the claim (field #11) is Competitive Bid.