CMS Manual System	**Department of Health & Human Services (DHHS)**
Pub 100-20 One-Time Notification	**Centers for Medicare & Medicaid Services (CMS)**
Transmittal 2428	**Date: February 7, 2020**
	Change Request 11522

SUBJECT: Multi-Carrier System (MCS) Financial Changes for Combining Pay Alone Payments in the Healthcare General Ledger Accounting System (HIGLAS) Payment Sets

I. SUMMARY OF CHANGES: The purpose of this Change Request (CR) is to enhance the MCS and HIGLAS Pay Alone process for Part B payment sets within each system and to discontinue the creation of separate "pay alone" incentive payments, with the exception of Health Professional Shortage Area (HPSA) bonus payments. This CR also instructs the contractors to generate a single consolidated payment, similar to the FISS Part A shared system, eligible for netting during the HIGLAS payment batch processing.

EFFECTIVE DATE: July 1, 2020 - Functional Design and Development; October 1, 2020 - Testing, Technical Design and Implementation
**Unless otherwise specified, the effective date is the date of service.*
IMPLEMENTATION DATE: July 6, 2020 - Functional Design and Development; October 5, 2020 - Testing, Technical Design 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

Pub. 100-20	Transmittal: 2428	Date: February 7, 2020	Change Request: 11522

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EFFECTIVE DATE: July 1, 2020 - Functional Design and Development; October 1, 2020 - Testing, Technical Design and Implementation
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I. GENERAL INFORMATION

A. Background: Due to system limitations in the MCS shared system, certain Medicare provider special payouts (incentive, manual, excess refund, 935 interest, full hold release) are established as separate "pay alone" payments due to required special remittance advice processing. As a result, Medicare Part B special payouts are processed separately when sent to HIGLAS and are not available for netting to recoup outstanding accounts receivables that the provider may owe to the Medicare Trust Fund. However, the Fiscal Intermediary Shared System (FISS) Part A shared system has been established to consolidate all special payouts and claim payments into a single payment that is eligible for netting in HIGLAS to recoup any outstanding overpayments owed by the Medicare provider.

The purpose of this Change Request (CR) is to change the MCS and HIGLAS systems to be able to process the special payouts and claims payments into a single payment that is eligible for netting in HIGLAS to recoup any outstanding overpayments owed by the Medicare provider. This will allow the systems to:

Discontinue the creation of separate "pay alone" special payouts, with the exception of Health Professional Shortage Area (HPSA) bonus payments and converted re-issues

NOTE: The HIGLAS maintainer requirements impacting MCS HIGLAS will be in a separate MCS HIGLAS CR for the July 2020 Release.

B. Policy: In accordance with Publication 100.6, Chapter 4 §70.14.8 - Applying Excess Collections, Medicare contractors shall determine if the debtor has any other outstanding debts including interest to which the excess collection may be applied. The excess collection shall be applied to the oldest debt first (then next oldest), in accordance with established procedures for applying excess collections against a debtor's overpayments. If there are no other outstanding debts, the excess portion of the collection shall be refunded.

II. 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	
11522.1	MCS shall make changes to accurately report a payment set that includes both claims and special payouts on a single provider Electronic Remittance Advice (ERA). The special payouts will report as PLB segments on the ERA.						X			
11522.2	MCS shall make changes to accurately report a payment set that includes both claims and special payouts on a single provider Standard Paper Remit (SPR). The special payouts will report in the existing PLB segment of the SPR.						X			
11522.3	MCS shall update the internal check register reports to display a breakout of the payment when a check includes both payment for claims and special payouts.						X			
11522.3.1	MCS shall continue to have the check register reports display the check and total payout information. For combined payments sets, this amount will reflect the total payment for both claims and any special payouts.						X			
11522.3.2	MCS shall include additional print lines on the reports to reflect the break out of the payment tied to claims and each special payout included in the payment set, when a payment set includes both claims and special payouts.						X			
11522.3.3	MCS shall create new values for the existing Remarks field to describe the type of payment set received as well as descriptions for each unique component included in the payment set.						X			
11522.4	MCS shall update internal reports for incentive payments to only report the portion of the combined payout that relates to the incentive tied to that report.						X			
11522.5	MCS shall update internal financial files and on-line screens as necessary to ensure accurate display of information associated with combined payouts.						X			
11522.6	MCS HIGLAS shall update 835 edits to allow for the combination of manual and/or special payouts with						X			

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FISS	MCS	VMS	CWF	
	claim payments in a HIGLAS 835 payment set. Note: MCS HIGLAS assumes HPSA payments will continue to be processed as a pay alone set.									
11522.7	MCS HIGLAS shall develop processing logic to reissue bonus and/or special payout sets expanding the R12 logic to identify offsets applied to the original payment for inclusion on reissued payments.						X			
11522.7.1	MCS HIGLAS shall process reissuance of special payout sets using the HIGLAS Check Number (HCN) in PLB 0x-02 (x= number of PLB segment in the payment set) in positions 26 – 37. The HCN will be used to locate the original payment on the bank file.						X			
11522.7.2	MCS HIGLAS shall process any reissue of a special payouts as a new payment when the HIGLAS Check Number (HCN) is not sent with a reissued transaction. Without the HCN, any offset applied to the original payment will not be displayed on the remittance generated for the reissued amount.						X			
11522.8	Contractors shall test the MCS, HIGLAS and MCS HIGLAS changes.		X							
11522.9	HIGLAS shall make the necessary changes to include the Part B 935 interest invoices for netting. Use PL_INT_935 set to net (Non-Pay Alone) and eligible for Ar/AP netting.									HIGLAS
11522.10	HIGLAS shall modify HIGLAS 810 interface to create the NON-claims (All incentive and BPCI (excluding HPSA)) as NON Pay Alone invoices.									HIGLAS
11522.11	HIGLAS shall remove the Custom Edit that is in place to enforce the Pay Alone flag for the Manual payable invoices. HIGLAS shall provide the flexibility for the MACs to choose Pay Alone or Non-Pay Alone.									HIGLAS
11522.12	HIGLAS shall continue to enforce Pay Alone flag for Beneficiary, TPP and Treasury AP invoices.									HIGLAS
11522.13	HIGLAS shall modify AP Web ADI to create provider Invoices as Non Pay Alone and continue to create the Beneficiary, TPP and Treasury AP invoices as Pay									HIGLAS

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FISS	MCS	VMS	CWF	
	Alone.									
11522.14	HIGLAS shall modify AR Refund Extensions to create the AP Invoices (PL ALJ Interest Refund and M1_AR_Refund) as Non-Pay Alone.									HIGLAS
11522.15	HIGLAS shall modify MCS 835 Interface to combine the claims and all 810/manual invoices (excluding HPSA) to a single payment set and reported with Transaction Handling Code of 'I'. HPSA shall continue to be reported with Transaction Handling Code of 'J'.									HIGLAS
11522.15.1	HIGLAS shall modify MCS 835 Interface combine to report Non-Pay Alone bonus payment and Non-Pay Alone manual payments with Set Type Code 'PPD'. HPSA shall continue to be reported with a separate check and Set Type Code 'CCP'. All manual Pay Alone invoices will continue to be reported as Pay Alone with Set Type Code 'CCD'.									HIGLAS
11522.15.2	HIGLAS shall initiate a data fix to update the Pay Alone flag to 'N' for any Provider unpaid Manual AP Invoices (excluding HPSA) that are not reported on the 835.									HIGLAS
11522.15.3	HIGLAS shall initiate a data fix to update the Pay Alone flag to 'N' for any unpaid R12 Converted AP Invoices that were updated to "M4_OTHER".									HIGLAS
11522.16	HIGLAS Conversion program shall continue Pay Alone or Non Pay Alone as documented in the Conversion Column Rule document. HIGLAS 835 shall report all the conversion invoices based on the Pay Alone flag.									HIGLAS

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility				
		A/B MAC			DME MAC	CEDI
		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): Deborah Miller, 410-786-0331 or deborah.miller3@cms.hhs.gov

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

VI. FUNDING

Section A: For Medicare Administrative Contractors (MACs):
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ATTACHMENTS: 0