



**News Flash** - As of January 1, 2009, eligible professionals can participate in the E-Prescribing Incentive Program by reporting on their adoption and use of an e-prescribing system by submitting information on one e-prescribing measure on their Medicare Part B claims. For the 2009 e-prescribing reporting year, to be a successful e-prescriber and to qualify to receive an incentive payment, an eligible professional must report one e-prescribing measure in at least 50% of the cases in which the measure is reportable by the eligible professional during 2009. There is no sign-up or pre-registration to participate in the E-Prescribing Incentive Program. For more information, visit <http://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/ERxIncentive/index.html> on the CMS website.

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Related Change Request (CR) #: 6228

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Effective Date: January 1, 2009

Related CR Transmittal #: R5030TN

Implementation Date: October 5, 2009

**Note:** This article was updated on December 17, 2012, to reflect current Web addresses. All other information remains unchanged.

## Reporting Non-Tax Withholding Due to Federal Payment Levy Program (FPLP)

### Provider Types Affected

Physicians and providers who bill Medicare carriers, fiscal intermediaries (FI), and Medicare Administrative Contractors (MAC) for services provided to Medicare beneficiaries.

### What You Need to Know

CR 6228, from which this article is taken, notifies providers that (effective October 1, 2009) in addition to collecting for overdue taxes (effective October 1, 2008), the Centers for Medicare & Medicaid Services (CMS) will also levy non-tax debt offsets against Medicare providers to repay unpaid debts owed to other Federal agencies, such as educational loans.

Make sure that your billing staffs are aware that both tax and non-tax debt, subject to FPLP, will be withheld from Medicare payments.

#### Disclaimer

This article was prepared as a service to the public and is not intended to grant rights or impose obligations. This article may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations and other interpretive materials for a full and accurate statement of their contents.

If you have a question about the **non-tax** payment reduction, call the Treasury Department's Financial Management Service (FMS) at 1-800-304-3107.

## Background

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The Taxpayer Relief Act of 1997 authorized the Federal Payment Levy Program (FPLP), which the Internal Revenue Service (IRS) and the Treasury Department's Financial Management Service implemented in July 2000. This program gives CMS the authority to collect overdue taxes through a levy on certain federal payments; including those made to providers, contractors, and vendors doing business with the government.

The Medicare Improvements for Patients and Providers Act of 2008 requires CMS to fully implement the FPLP for Medicare payments for overdue taxes, and extends it to also include a levy for non-tax debt.

CR 6125 ([Reporting Withholding Due to IRS Federal Payment Levy Program \(FPLP\) on the Remittance Advice](#)) issued on August 15, 2008, covers the implementation of the debt levy for overdue taxes, effective October 2008. (A related MLN Matters article is available at <http://www.cms.gov/outreach-and-education/medicare-learning-network-mln/mlnmattersarticles/downloads/MM6125.pdf> on the CMS website.), CR 6228, from which this article is taken, notifies providers that (effective October 1, 2009) non-tax debt offsets will also be levied against Medicare providers to repay unpaid debts owed to other Federal agencies, such as from educational loans. Should you owe such taxes and/or debt, and your payments are reduced:

- For tax levy (effective October 1, 2008), your Medicare remittance advice will reflect the provider level adjustment code (PLB) of "WU" in the PLB03-1 data field (however, in the HIPAA 835, PLB reason code "LE" will replace currently used WU for: Third Party Payment (TPP) - Garnishments, including attorneys, Child Support, Alimony, Secondary Corporation, and Change of Ownership). In addition, the toll-free IRS number (1-800-829-3903) will appear in the PLB03-2 data field.
- For non-tax debt levy (effective October 1, 2009), your Medicare remittance advice will reflect the PLB code of "ZZ" in the PLB03-1 data field, and the amount of the withholding can be found in the PLB04 field. In addition, the toll-free FMS number will appear in the PLB03-2 data field.

### *Notes:*

*1) Due to current privacy rules and regulations, the IRS is the only agency that can discuss the tax-related debt question with you, and FMS/Treasury is the only agency that can discuss the non-tax debt issue with you. Thus, if you have questions, contact them at the toll-free numbers just mentioned, instead of contacting your Medicare contractor.*

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2) Please observe that the toll-free IRS telephone number for questions regarding tax-related withholding is **not** the same as the toll-free FMS/Treasury toll-free telephone number for non-tax withholding questions.

You may find the following details about non-tax FPLP withholding of interest:

- CMS may reduce federal payments subject to the non-tax levy by 100 percent, (or the exact amount of the non-tax debt owed if it is less than 100 percent of the payment); and this levy is continuous until the non-tax debt is paid in full, or other arrangements are made to satisfy the debt.
- The Medicare Provider Payment Offset priority order is: 1) Medicare accounts receivable (AR) debt, 2) FPLP Offsets for Federal Tax debt at 15% maximum of the payable amount, 3) Administrative Offsets for Federal Non-Tax debt at 100% of the payable amount, and 4) Third-Party Payments (TPP).
- Within each payment offset priority category, CMS will collect the oldest debts first, namely the FPLP Offsets for Federal Tax debt and the Administrative Offsets for Federal Non-Tax debt.
- CMS will implement a minimum \$25 threshold for tax and non-tax debt offsets.
- The Treasury Department will process refunds to providers from CMS over-collections of FPLP Federal Tax debt or Administrative Offsets for Federal Non-Tax debt.

## Additional Information

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You can find the official instruction, CR6228, issued to your carrier, FI, or MAC by visiting <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R5030TN.pdf> on the Centers for Medicare & Medicaid Services (CMS) website.

\ You may also want to review the article related to CR 6125 ([Reporting Withholding Due to IRS Federal Payment Levy Program \(FPLP\) on the Remittance Advice](http://www.cms.gov/outreach-and-education/medicare-learning-network-mln/mlnmattersarticles/downloads/MM6125.pdf)), which you can find at <http://www.cms.gov/outreach-and-education/medicare-learning-network-mln/mlnmattersarticles/downloads/MM6125.pdf> on the CMS website.

If you have any questions, please contact your carrier, FI, or MAC at their toll-free number, which may be found at <http://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/provider-compliance-interactive-map/index.html> on the CMS website.

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