

<b>CMS Manual System</b>	<b>Department of Health &amp; Human Services (DHHS)</b>
<b>Pub 100-06 Medicare Financial Management</b>	<b>Centers for Medicare &amp; Medicaid Services (CMS)</b>
<b>Transmittal 245</b>	<b>Date: November 21, 2014</b>
	<b>Change Request 8996</b>

**SUBJECT: Required Changes to the Company Entry Description Value in the Batch Header Record for Backup Withholding Files**

**I. SUMMARY OF CHANGES:** In June 2014, the Centers for Medicare and Medicaid Services (CMS) instructed the Part A/B Medicare Administrative Contractors (MACs) to begin processing Internal Revenue Service (IRS)/Treasury backup withholding Automated Clearing House (ACH) files through the Healthcare Integrated General Ledger Accounting System (HIGLAS) and the shared systems. CMS has since determined that the backup withholding ACH file rejects at the Medicare Bank because it incorrectly includes “HCCLAIMPMT” as the Company Entry Description in the Batch Header Record.

Effective July 2014, CMS required the shared systems to include the value “HCCLAIMPMT” in the Batch Header Record of the Medicare health care claim payment file sent to the Medicare Bank in order to be National Automated Clearing House Association (NACHA) compliant. However, the IRS/Treasury backup withholding ACH file is a tax related penalty, not a Medicare health care claim payment. In order for the Medicare Bank to process this IRS/Treasury backup withholding ACH file, the value in the Batch Header Record cannot be the same as that used in the health care claim payment file. The purpose of this CR is to require the Shared System Maintainers and MAC contractors to use the value “IRSBACUPWH” in the Company Entry Description in the Batch Header Record on the IRS/Treasury backup withholding ACH file.

**EFFECTIVE DATE: April 1, 2015**

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

**IMPLEMENTATION DATE: April 6, 2015**

*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.

<b>R/N/D</b>	<b>CHAPTER / SECTION / SUBSECTION / TITLE</b>
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 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**

# Attachment - One-Time Notification

Pub. 100-06	Transmittal: 245	Date: November 21, 2014	Change Request: 8996
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## I. GENERAL INFORMATION

**A. Background:** In June 2014, the Centers for Medicare and Medicaid Services (CMS) instructed the Part A/B Medicare Administrative Contractors (MACs) to begin processing Internal Revenue Service (IRS)/Treasury backup withholding Automated Clearing House (ACH) files through the Healthcare Integrated General Ledger Accounting System (HIGLAS) and the shared systems. CMS has since determined that the backup withholding ACH file rejects at the Medicare Bank because it incorrectly includes "HCCLAIMPMT" as the Company Entry Description in the Batch Header Record.

Effective July 2014, CMS required the shared systems to include the value "HCCLAIMPMT" in the Batch Header Record of the Medicare health care claim payment file sent to the Medicare Bank in order to be National Automated Clearing House Association (NACHA) compliant. However, the IRS/Treasury backup withholding ACH file is a tax related penalty, not a Medicare health care claim payment. In order for the Medicare Bank to process this IRS/Treasury backup withholding ACH file, the value in the Batch Header Record cannot be the same as that used in the health care claim payment file. The purpose of this CR is to require the Shared System Maintainers and MAC contractors to use the value "IRSBACUPWH" in the Company Entry Description in the Batch Header Record on the IRS/Treasury backup withholding ACH file.

**B. Policy:** The Shared System Maintainers and MAC contractors shall ensure that the value "IRSBACUPWH" is included in the Company Entry Description field in the Batch Header Record of the IRS/Treasury backup withholding ACH file sent to the Medicare bank. MACs shall also provide CMS with a list of files that are transferred to the Medicare bank and a list of files that not transferred to the Medicare bank that include "HCCLAIMPMT" in the Company Entry Description field in the Batch Header Record. These files shall be sent in the format provided (Attachment 1).

## II. BUSINESS REQUIREMENTS TABLE

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

Number	Requirement	Responsibility									
		A/B MAC			D M E M A C	Shared-System Maintainers				Other	
		A	B	H H H		F I S S	M C S	V M S	C W F		
8996.1	The Shared System Maintainers and MAC contractors shall ensure that the value "IRSBACUPWH" is included in the Company Entry Description field in the Batch Header Record (record type 5, field 7, positions 54-63) of the IRS/Treasury backup withholding ACH file sent to the Medicare Bank.	X	X	X		X	X				HIGLAS
8996.2	The MACs shall provide CMS with a list of all files	X	X	X	X						

Number	Requirement	Responsibility										
		A/B MAC			D M E M A C	Shared-System Maintainers				Other		
		A	B	H H H		F I S S	M C S	V M S	C W F			
	that are transferred to the bank that included "HCCLAIMPMT" as the company entry description in the batch header record in the format attached (Attachment 1) to Wayne Slaughter, Wayne.Slaughter@cms.hhs.gov and Darria Mosley, Darria.Mosley@cms.hhs.gov by December 17, 2014.											
8996.3	The MACs shall provide CMS with a list of all files that are not transferred to the bank that included "HCCLAIMPMT" as the company entry description in the batch header record in the format attached (Attachment 1) to Wayne Slaughter, Wayne.Slaughter@cms.hhs.gov and Darria Mosley, Darria.Mosley@cms.hhs.gov by December 17, 2014.	X	X	X	X							

### III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility					
		A/B MAC			D M E M A C	C E D I	
		A	B	H H H			
	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):** Wayne Slaughter, 410-786-0038 or Wayne.Slaughter@cms.hhs.gov, Darria Mosley, 410-786-6554 or Darria.Mosley@cms.hhs.gov.

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

### VI. FUNDING

**Section A: 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.

**ATTACHMENTS: 1**

