

<b>CMS Manual System</b>	<b>Department of Health &amp; Human Services (DHHS)</b>
<b>Pub 100-20 One-Time Notification</b>	<b>Centers for Medicare &amp; Medicaid Services (CMS)</b>
<b>Transmittal 374</b>	<b>Date: SEPTEMBER 5, 2008</b>
	<b>Change Request 5933</b>

**SUBJECT: Expansion of the Legal Business Name (LBN) Field in VMS (DME MACs Only)**

**I. SUMMARY OF CHANGES:** System changes will be made in the VMS system to expand the LBN field from 25 to 40 characters in length.

**NEW / REVISED MATERIAL**

**EFFECTIVE DATE: JANUARY 1, 2009**

**IMPLEMENTATION DATE: JANUARY 5, 2009**

*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**

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

**III. FUNDING:**

**SECTION A: For Fiscal Intermediaries and Carriers:**

Not Applicable.

**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 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**

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

# Attachment – One-Time Notification

Pub. 100-20	Transmittal: 374	Date: September 5, 2008	Change Request: 5933
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**SUBJECT: Expansion of the Legal Business Name (LBN) Field in VMS (DME MACs Only)**

**Effective Date: January 1, 2009**

**Implementation Date: January 5, 2009**

## I. GENERAL INFORMATION

**A. Background:** The LBN of a supplier of durable medical equipment, prosthetics, orthotics and supplies (DMEPOS) is used for claims payment, issuance of IRS Form 1099 as well as other areas of production. Currently, the national supplier clearinghouse (NSC) system LBN field contains 40 characters. The NSC currently provides the LBN to the DME MACs which is currently housed in the VMS system provider file. DME MACs and VMS' LBN fields contain 25 characters. The NSC system transmits daily systems updates to the VMS/DME MACs. This character discrepancy is resolved by the NSC utilizing an automatic program designed to abbreviate and/or truncate the words in a DMEPOS supplier's LBN to fit in the 25 character limit. Abbreviating words in a legally binding name that should not be abbreviated is causing discrepancies between the DME MACs supplier LBNs and the supplier's LBN as reported to the IRS for tax reporting purposes.

Annually, DME MACs must send all DMEPOS suppliers IRS 1099 forms to report their Medicare income to the IRS. IRS 1099 forms are sent to the suppliers by the DME MACs using the supplier's correspondence address. The IRS LBN field is 40 characters. The truncating and abbreviation of the LBN in the DME MAC supplier files cause discrepancies between the DME MAC and the LBN as reported by the supplier to the IRS. These discrepancies must be resolved prior to the IRS releasing the CP 2100 or 2100a or the DMEPOS supplier is subject to back-up withholding and the DME MAC is subject to IRS monetary penalties.

Expanding VMS' LBN name field to 40 characters will allow the LBNs to be entered into the VMS DMEPOS supplier file without truncating or abbreviating the LBN. A 40 character LBN field will eliminate the specific issues with the annual issuance of the IRS 1099s that occur because of the abbreviating and truncating of the DMEPOS supplier's LBN. There will be significantly less chance of Tax Identification Number (TIN)/LBN mismatch returns when the DME MACs send their 1099 files to the IRS.

**B. Policy:** In order to capture the LBN of a DMEPOS supplier as reported to the IRS (without abbreviations and truncating) and to correlate with the LBN fields of the NSC, the VMS system LBN field must be expanded to 40 characters where the LBN field needed for the transmission, submission and/or any other method of reporting suppliers' IRS 1099 forms to other agencies and the suppliers themselves.

## II. BUSINESS REQUIREMENTS TABLE

*Use "Shall" to denote a mandatory requirement*

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B  M A C	D M E  M A C	F I    	C A R R I E R	R H I    	Shared-System Maintainers				OTHER
						F I S S	M C S	V M S	C W F		
5933.1	The VIPS shall change the VMS system to expand the LBN field from 25 to 40 characters in length where the		X						X		

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B  M A C	D M E  M A C	F I	C A R R I E R	R H I	Shared-System Maintainers				OTHER
							F I S S	M C S	V M S	C W F	
	LBN field needed for the transmission, submission, printing and/or any other method of reporting suppliers' IRS 1099 forms to other agencies and the supplier public. It is not necessary to update current abbreviated LBNs in the VMS system at this time.										
5933.2	The NSC shall add 50 bytes to its records 01, 02, 06 and 07.									National Supplier Clearing-house	
5933.3	The NSC shall add a 40 byte legal business name field to its records 01 and 02 upon the completion of BR 5933.2.									National Supplier Clearing-house	
5933.4	The NSC shall supply an individualized file (specific to this CR) that contains the list of all active suppliers and all suppliers who were inactivated or revoked on or after January 1, 2008 and their LBNs and shall transmit this file to the EDC. VMS shall access this individualized file from the EDC and use it to populate the LBN on the 1099 section of the VMS Provider file.		X						X	National Supplier Clearing-house	
5933.5	The VIPS shall change the VMS system to recognize and load DMEPOS suppliers' LBN as reported to the VMS by NSC records 01 and 02, up to 40 characters.		X						X		

### III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B  M A C	D M E  M A C	F I	C A R R I E R	R H I	Shared-System Maintainers				OTHER
							F I S S	M C S	V M S	C W F	
	None										

### IV. SUPPORTING INFORMATION

**Section A: For any recommendations and supporting information associated with listed requirements, use the box below:**

*Use "Should" to denote a recommendation.*

X-Ref Requirement Number	Recommendations or other supporting information:

**Section B: For all other recommendations and supporting information, use this space:**

## V. CONTACTS

**Pre-Implementation Contact(s):** Kimberly McPhillips, [kimberly.mcphillips@cms.hhs.gov](mailto:kimberly.mcphillips@cms.hhs.gov) or 410-786-5374

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## VI. FUNDING

**Section A: For *Fiscal Intermediaries (FIs), Carriers, and Regional Home Health Carriers (RHHIs)* use only one of the following statements:**

Not Applicable

**Section B: For *Medicare Administrative Contractors (MACs)*, use the following statement:**

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.