CMS Manual	Department of Health & Human Services (DHHS)
System	
Pub 100-20 One-Time Notification	Centers for Medicare & Medicaid Services (CMS)
Transmittal 962	Date: September 23, 2011
	Change Request 7509

NOTE: Transmittal 951 dated August 19, 2011, is being rescinded and replaced by Transmittal 962 to add business requirements for the creation of error codes and receiving batch error files. All other information remains the same.

SUBJECT: HITECH - Annual 1099 Address File – Requirements for Submitting Updated Address, TIN and Full Legal Name for all HITECH Payees Receiving EHR Incentive Payments During the Calendar Year

I. SUMMARY OF CHANGES: The shared system maintainers - FISS and MCS - shall annually update the NLR through the D1 and D4 interfaces no later than 01/07 with the full legal name, TIN, and updated mailing address - master address or correspondence address - for all HITECH payees receiving EHR incentive payments during the prior calendar year ending 12/31. The D1 and D4 information shall be included in the Annual 1099 Address File sent by the NLR to the PFDC.

EFFECTIVE DATE: January 1, 2012

IMPLEMENTATION DATE: January 3, 2012

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; Contractor activities are to be carried out within 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 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: 962 Date: September 23, 2011 Change Request: 7509

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SUBJECT: HITECH - Annual 1099 Address File – Requirements for Submitting Updated Address, TIN and Full Legal Name for all HITECH Payees Receiving EHR Incentive Payments During the Calendar Year

Effective Date: January 1, 2012

Implementation Date: January 3, 2012

I. GENERAL INFORMATION

A. Background:

Title IV of Division B of the American Recovery and Reinvestment Act of 2009 (ARRA) (Pub. L. 111-5) amends Titles XVIII and XIX of Social Security Act (the Act) by establishing incentive payments for Eligible Professionals (EPs) and hospitals to promote the adoption and meaningful use of Health Information Technology (HIT) and qualified Electronic Health Record (EHRs). The expanded use of HIT and EHRs is considered essential in order to significantly improve both the quality and value of American health care. Collectively, these provisions, together with Title XIII of Division A of ARRA, are termed the Health Information Technology for Economic and Clinical Health Act (HITECH Act).

The CMS estimates that the total number of Medicare EPs that will register as meaningful users of HIT will be 33,800 to 115,800; up to 50,000 Medicare EPs may register to participate in the first year of the HITECH initiative. CMS further estimates that the total number of participating hospitals and Critical Access Hospitals (CAHs) will be approximately 4600 with up to 2136 participating in the first year.

A.1 Payment File Development Contractor

Due to the need for CMS to maintain separate accounting for all appropriated HITECH funds, CMS has determined that HITECH payments will be made through a Payment File Development Contractor (PFDC) in coordination with one of the two current Medicare banks. Tasking the PFDC and the Medicare bank with making HITECH payments eliminates the need to make shared system changes to manage and account for these funds. In addition, it consolidates payment, tracking, and HITECH fund management/accounting into a single source which is necessary to effectively manage and disburse these appropriations.

The provider registration and verification of eligibility for HITECH incentive payments will be managed through the CMS National Level Repository (NLR); the NLR will be hosted at a CMS Enterprise Development Center (EDC). The NLR is the designated system of records for the HITECH initiative that will contain all provider registration/attestation documentation, banking information for each recipient, calculate the recipient payments amounts, verify meaningful use, check for duplicate payments, and maintain the incentive payment history files.

The Fiscal Intermediaries (FIs), Carriers, Medicare Administrative Contractors (MACs), and various Medicare systems will interface with the NLR to provide information related to allowed charges, hospital payment amounts, the recipient name, National Provider Identifier (NPI)/CMS Certification Number (CCN)/Taxpayer Identification Number (TIN), and banking/payment details for each recipient [account/routing numbers for Electronic Funds Transfer (EFT) deposits and an address for paper checks]. The NLR will compile a single file from these data with complete payment information on all eligible recipients for each monthly payment cycle in an agreed upon format that can be downloaded from the NLR.

The PFDC will make payments on a monthly cycle (scheduled to occur on or about the 15th day of each month) to all eligible Medicare hospitals, CAHs, Medicare Advantage Organization (MAO) Affiliated Hospitals, and EPs that are listed on the payment file downloaded from the NLR. After the payments are made, the PFDC will update the payment history file in the NLR with the payment status for all recipients on the monthly payment file. The PFDC will also update the NLR with regard to overpayment identification and collection. In addition, the PFDC will maintain a lockbox with the Medicare bank to receive and process overpayment refunds, identify and resolve issues with overpayment refunds, and ensure/maintain proper funds control for all overpayment collections.

A.2 Annual 1099 Address File

As part of the HITECH payment process, the PFDC shall send IRS 1099 forms to all payees receiving HITECH payments within the calendar year; in accordance with IRS policy. The PFDC shall send 1099s to these payees no later than 01/31 of the following calendar year. To accomplish this task, on an annual basis, the PFDC shall receive a new file - the **Annual 1099 Address File** - from the NLR no later than 01/04 that includes the full legal name, TIN, and an updated 1099 mailing address for all HITECH payment recipients from the prior calendar year. The NLR shall forward a trigger file to the shared system maintainers (FISS and MCS) and HIGLAS to send the TIN and the updated 1099 mailing address for these HITECH recipients through a new interface to be developed within the NLR. The NLR shall add the full legal name to this file to create the **Annual 1099 Address File** and send this file to the PFDC no later than 01/07.

B. Policy:

Title IV of Division B of the American Recovery and Reinvestment Act of 2009 (ARRA) (Pub. L. 111-5) amends Titles XVIII and XIX of the Act by establishing incentive payments for EPs and hospitals to promote the adoption and meaningful use of Health Information Technology (HIT) and qualified EHRs. The expanded use of HIT and EHRs is considered essential in order to significantly improve both the quality and value of American health care. Collectively, these provisions, together with Title XIII of Division A, of ARRA, are termed the HITECH Act.

II. BUSINESS REQUIREMENTS TABLE

Use "Shall" to denote a mandatory requirement

Number	Requirement	Responsibility (place an "X" in each applicable column)								
		A	D	F	С	R	Shared-	OTH		
		/	M	I	A	Н	System	ER		
		В	Е		R	Н	Maintainers			

		M A C	M A C	R I E R	I	F I S S	M C S	V M S	C W F	
7509.1	Contractors shall receive trigger/request files no later than January 4 th .					X	X			EDC s
7509.2	Contractors shall respond to the Annual 1099 Address File NLR trigger files, via a new interface developed for this file with the NPI, Full Legal Name, TIN, an Updated Mailing Address and CCN (FISS only) for all payees that received EHR incentive payments during the prior calendar year. The Annual 1099 Address File shall be sent to the PFDC by the NLR no later than January 7 th .					X	X			EDC s
7509.2.1	Contractors shall create error codes in accordance with CR 7302.						X			
7509.2.2	Contractors shall create error codes for provider not found and no match on Tax ID.					X				
7509.2.3	Contractors shall create and send a response file containing any batch or transaction level error codes encountered while processing the trigger/request file					X	X			
7509.3	Contractors shall produce a yearly report that includes all payees that 1099 information was returned back to the NLR and also payees in which no information was found in the SS.					X	X			EDC s
7509.4	Contractors may receive batch error files from the NLR if errors are encountered while processing the 1099 response file; no system action is necessary. They should contact NG directly to determine the cause.					X	X			

III. PROVIDER EDUCATION TABLE

Number	Requirement		Responsibility (place an "X" in each applicable column)									
		A	D	F	C	R		Sha	red-		OTH	
		/	M	I	A	Н		Syst	tem		ER	
		В	E R H Maintain				aine	ers				
					R	I	F	M	V	С		
		M	M		I		I	C	M	W		
		A	A		Е		S	S	S	F		
		C	C		R		S					
	N/A											

IV. SUPPORTING INFORMATION

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

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: N/A

V. CONTACTS

Pre-Implementation Contact(s): Wayne A. Slaughter, PFDC COTR/PO <u>wayne.slaughter@cms.hhs.gov</u>

Post-Implementation Contact(s): Wayne A. Slaughter, PFDC COTR/PO (410) 786-0038 Contact your Contracting Officer's Technical Representative (COTR) or Contractor Manager, as applicable.

VI. FUNDING

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

No additional funding will be provided by CMS; contractor activities are to be carried out within their operating budgets.

Section B: For Medicare Administrative Contractors (MACs), include 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.