CMS Manual System	Department of Health & Human Services (DHHS)				
Pub 100-20 One-Time Notification	Centers for Medicare & Medicaid Services (CMS)				
Transmittal 1536	<b>Date: August 21, 2015</b>				
	Change Request 9285				

SUBJECT: Increasing Tax Withholding to 100 Percent for Internal Revenue Service (IRS) Federal Payment Levy Program (FPLP)

**I. SUMMARY OF CHANGES:** The purpose of this Change Request (CR) is to instruct the Healthcare Integrated General Ledger Accounting System (HIGLAS) system maintainer to make necessary programming changes to increase the tax withhold percentage from 30 percent to 100 percent.

## **EFFECTIVE DATE: October 16, 2015**

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

**IMPLEMENTATION DATE: October 16, 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.

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: 1536 Date: August 21, 2015 Change Request: 9285

SUBJECT: Increasing Tax Withholding to 100 Percent for Internal Revenue Service (IRS) Federal Payment Levy Program (FPLP)

**EFFECTIVE DATE: October 16, 2015** 

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**IMPLEMENTATION DATE: October 16, 2015** 

## I. GENERAL INFORMATION

**A. Background:** In July 2000, the Internal Revenue Service (IRS), in conjunction with the Department of the Treasury, started the Federal Payment Levy Program (FPLP) which is authorized by Internal Revenue Code Section 6331 (h), as prescribed by the Taxpayer Relief Act of 1997 Section 1024. Through this program, authority is provided to the Centers for Medicare & Medicaid Services (CMS) to collect overdue taxes through a levy on certain federal payments; this includes federal payments made to providers, contractors and vendors doing business with the government. Consistent with this authority, CMS introduced Change Request (CR) 6125 in October of 2008, which reduced federal payments subjected to the levy by the required 15 percent, or the exact amount of the tax owed if it is less than 15 percent of the payment.

In December 2014, the Internal Revenue Code Section 6331 (h) was amended by the Tax Increase Prevention Act of 2014 Section 209 (a), which mandated an increase to the tax levy to 30 percent. In order to do this, CMS introduced CR 9154. In April 2015, the Internal Revenue Code Section 6331 (h) was amended by the Medicare Access and Children's Health Insurance Program Reauthorization Act of 2015, Section 413 (a), which increases the tax levy to 100 percent. This business requirement only applies to the Healthcare Integrated General Ledger Accounting System (HIGLAS) system maintainer.

**B. Policy:** The purpose of this CR is to instruct the HIGLAS system maintainer to make necessary programming changes to increase the tax withhold percentage from 30 percent to 100 percent.

## II. BUSINESS REQUIREMENTS TABLE

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

Number	Requirement	Responsibility									
		A/B		D	Shared-				Other		
		MAC		M	System						
					Е	Maintainers					
		Α	В	Н		F	M	V	C		
				Н	M	I	C	M	W		
				Н	A	S	S	S	F		
					С	S					
9285.1	The HIGLAS system maintainer shall make necessary									HIGLAS	
	programming changes to increase the tax withhold										
	percentage from 30 percent to 100 percent.										
9285.2	The HIGLAS system maintainer shall ensure testing									HIGLAS	
	be coordinated with the Department of Treasury so										
	that the 100 percent tax withhold percentage is										
	effective as of the implementation date.										

#### III. PROVIDER EDUCATION TABLE

Number	Requirement				Responsibility						
			A/B MAC			C E D					
		A	В	H H H	M A C	Ι					
9285.3	MLN Article: A provider education article related to this instruction will be available at http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/ shortly after the CR is released. You will receive notification of the article release via the established "MLN Matters" listserv. Contractors shall post this article, or a direct link to this article, on their Web sites and include information about it in a listserv message within 5 business days after receipt of the notification from CMS announcing the availability of the article. In addition, the provider education article shall be included in the contractor's next regularly scheduled bulletin. Contractors are free to supplement MLN Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.		X	X							

## IV. SUPPORTING INFORMATION

Section A: Recommendations and supporting information associated with listed requirements: N/A

<sup>&</sup>quot;Should" denotes a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:
1 (02223 02	

## 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 , Frank Chartier, 410-786-8075 or Frank.Chartier@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: 0**