

<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 158</b>	<b>Date: September 25, 2009</b>
	<b>Change Request 6644</b>

**SUBJECT: Revised Bank Account Analysis Procedure and Letter-of-Credit List**

**I. SUMMARY OF CHANGES:** The new requirement is for all Medicare Contractors (non-HIGLAS and HIGLAS) to prepare the monthly Schedule of Itemized Bank Services Provided Report and the Recap of Daily Available Balances schedules in Excel (see attached) and forward them to [Banking2009@cms.hhs.gov](mailto:Banking2009@cms.hhs.gov) by the 15th of each month.

**NEW / REVISED MATERIAL**

**EFFECTIVE DATE: \*October 26, 2009**

**IMPLEMENTATION DATE: October 26, 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-*Only One Per Row.*

R/N/D	Chapter / Section / Subsection / Title
R	5/100/110.2/Bank Account Analysis
R	5/150/Letter-Of-Credit Check List

**III. FUNDING:**

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

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):

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:**

**Business Requirements**

**Manual Instruction**

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

# Attachment - Business Requirements

Pub. 100-06	Transmittal: 158	Date: September 25, 2009	Change Request: 6644
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**SUBJECT: Revised Bank Account Analysis Procedure and Letter-of-Credit List**

**EFFECTIVE DATE:** October 26, 2009

**IMPLEMENTATION DATE:** October 26, 2009

## I. GENERAL INFORMATION

### A. Background:

As of January 1, 2009, the Centers for Medicare and Medicaid Services (CMS) made a decision to eliminate the use of time accounts as a funding mechanism to pay for commercial bank service charges. As a result, the reporting of the TAA (Quarterly Adjustment of Federal health Insurance Time Account), TAA-1a (Summary of Bank Processing charges for Quarter), TAA-1b (Banking Processing Charges) and TAA-1c schedules (A list of daily closing bank balances) are being eliminated. We are no longer requiring non-HIGLAS Medicare contractors to report the above mentioned schedules in CAFM.

### B. Policy:

The CMS is requiring all Medicare contractors (non-HIGLAS and HIGLAS) to submit the attached Excel spreadsheet schedules (1. Schedule of Itemized Bank Services Provided Report and 2. Recap of Daily Available Balances) to CMS. The schedules are required to be sent to [Banking2009@cms.hhs.gov](mailto:Banking2009@cms.hhs.gov); by the 15<sup>th</sup> of each month.

## 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 M A C	F I I E R	C A R I E R	R H H I S S	Shared-System Maintainers				OTH ER	
		F	M	V	C	W	S	S	S	F		
6644.1	Contractor shall adhere to the following procedures: <ul style="list-style-type: none"> <li>• Arrange to receive from the bank its account analysis on a regular monthly basis no later than the 10th of the following month. Bank analysis must include:                             <ul style="list-style-type: none"> <li>○ Bank Processing Charges (<i>Schedule of Itemized Bank Services Provided Report</i>); and</li> <li>○ A list of daily closing bank balances</li> </ul> </li> </ul>	X	X	X	X	X						

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B	D M E	F I	C A R R I E R	R H I	Shared-System Maintainers				OTH ER
							F I S S	M C S	V M S	C W F	
	<i>(Recap of Daily Available Balances).</i>										
6644.2	<p>Contractor shall complete and forward, within 15 calendar days after the end of each month to CMS electronically (<i>Excel; Banking2009@cms.hhs.gov</i>), the following schedules:</p> <ul style="list-style-type: none"> <li>○ Monthly account activity of bank processing charges (<i>Schedule of Itemized Bank Services Provided Report</i>); and</li> <li>○ Recap of Daily Available Balances (<i>Recap of Daily Available Balances</i>).</li> </ul>	X	X	X	X	X					

**III. PROVIDER EDUCATION TABLE**

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

**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:
	<b>None</b>

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

## **V. CONTACTS**

**Pre-Implementation Contact(s):** Hazel L. Johnson, [Hazel.Johnson@cms.hhs.gov](mailto:Hazel.Johnson@cms.hhs.gov), (410) 786-7445  
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## **VI. FUNDING**

**Section A: 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.

**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.

## **ATTACHMENT**

Contractor's Name (Number)							
Bank's Name							
Date							
Monthly Schedule of Itemized Bank Services Provided Report							
<b>Note:</b> The contractor shall: 1.) add/delete any line items that are applicable/non-applicable. 2.) use the same terminology as their bank.							
Measured Account Services			Volume	Price	Cost	Bank Trancode	Note/Descriptions/Information Sources
<b>1</b>	PAYMENT VOUCHERS				0.00		
	a)	Wire Transfer Advices			0.00		
<b>2</b>	STOP PAYMENT ORDERS (Monthly Maintenance)				NA		
	a)	On Line Requests			0.00		
	b)	Manual/Voice Requests			0.00		
	c)	Automatic Renewals			NA		
<b>3</b>	ACCOUNT MAINTENANCE				0.00		
<b>4</b>	DEPOSITS:						
	a)	# of Deposit Tickets			0.00		
	b)	# of Deposited Items			0.00		
	c)	# Returned Deposited Items			0.00		
<b>5</b>	CHECK PROCESSING						
	a)	# of Checks Debited			0.00		
	b)	Data Transmission - Paid Items			0.00		
	c)	Reconciliation Fee			0.00		
	d)	Check Sorting (Minimum \$50)			0.00		
	e)	Check Microfilming (Minimum \$30)			NA		
	f)	Controlled Disbursement Maintenance			0.00		
	g)	Additional Recons			0.00		
<b>6</b>	EFT/ACH PROCESS (Monthly Maintenance)				0.00		
	a)	Debit/Credit Entries			0.00		
	b)	Prenotes			0.00		
	c)	Data Transmission - ACH Transactions			0.00		
	d)	ACH Returns/NOCS			0.00		
	e)	ACH Reversals & Deletions			0.00		
	f)	ACH Addenda Records			0.00		
	g)	Debit Authorization-Account Maintenance			0.00		
	h)	Debit Authorization-Return Items			0.00		
	i)	Debit Authorization-Setup Fee Per Account			0.00		
<b>7</b>	OTHER SERVICES:						
	a)	Information Reporting			0.00		
	b)	Medicare Reporting			0.00		
	c)	Special Statement Services			0.00		
	d)	microfiche Pages - Recon Reports			NA		
	e)	Check Photocopies			0.00		
	f)	Check Rejects > 2%			0.00		
	g)	Check Image Maintenance			NA		
	h)	Check Image Capture			0.00		
	i)	Image Inquiry Maintenance			NA		
	j)	Image Retrieval Items			0.00		
	k)	CD ROM Disks			0.00		
	l)	CD ROM Disk Recreation			0.00		
	m)	Positive Pay Maintenance			0.00		
	n)	Positive Pay-Payee Name Verification			0.00		
	o)	Positive Pay Exceptions Items			0.00		
	p)	Positive Pay Returns			0.00		
	q)	Positive Pay Fax/Day			0.00		
	r)	Deposit Ticket Orders			0.00		
	s)	Outgoing Wires - Manual Repetitive			0.00		
	t)	Incoming Wires			0.00		
	u)	Prior Period Adjustment			NA		
	v)	Contractor Created Overdraft - Calculated using the FMS Earnings Rates			NA		
	w)	Positive Pay-Payee Name Verification			0.00		
	x)	Zero Balance Maintenance Per Parent Account			0.00		
	y)	Remote Deposit Capture-Monthly Maint			0.00		
	z)	Remote Deposit Capture-Tickets			0.00		
	aa)	Remote Deposit Capture Items Deposited			0.00		
	ab)	Remote Deposit Returns (if they occur)			0.00		
	ac)	Remote Deposit Adjustments (if they occur)			0.00		
	ad)	Remote Deposit Scanner Cost			0.00		
<b>Total Measured Services</b>			<b>0</b>		<b>0.00</b>		

Contractor's Name (Number)				
Bank's Name				
Date				
RECAP OF DAILY AVAILABLE BALANCES				
DATE	BALANCE	DATE	BALANCE	
1		16		
2		17		
3		18		
4		19		
5		20		
6		21		
7		22		
8		23		
9		24		
10		25		
11		26		
12		27		
13		28		
14		29		
15		30		
		31		
Sum to Avg. Daily Balance for Month:			\$0.00	
Calculation of Avg. Daily Balance during each Prime Rate period			#DIV/0!	
Bank Rates From...	Number of Days	Sum of Total Balances	Balance	
	#	\$0.00	#VALUE!	

## 110.2 - Bank Account Analysis

*(Rev.158, Issued: 09-25-09, Effective: 10-26-09, Implementation: 10-26-09)*

To ensure a continuing evaluation of all bank services and associated charges, the contractor shall adhere to the following procedures:

- Arrange to receive from the bank its account analysis on a regular monthly basis no later than the 10th of the following month. Bank analysis must include:
  - Bank Processing Charges (*Schedule of Itemized Bank Services Provided Report*); and
  - A list of daily closing bank balances (*Recap of Daily Available Balances*).
- The contractor shall verify the accuracy of the data presented for the average daily bank balance, units of service, and all other computations on the bank's account analysis.
- The contractor shall complete and forward, within *15* calendar days after the end of each month to CMS *electronically (Excel; [Banking2009@cms.hhs.gov](mailto:Banking2009@cms.hhs.gov);*) the following schedules:
  - Monthly account activity of bank processing charges (*Schedule of Itemized Bank Services Provided Report*); and
  - Recap of Daily Available Balances (*Recap of Daily Available Balances*).

## 150 - Letter-Of-Credit Check List

*(Rev.158, Issued: 09-25-09, Effective: 10-26-09, Implementation: 10-26-09)*

### FORM NAME

### DUE DATE

Intermediary Benefit Payment Report, CMS-456

Monthly - within 20 working days after the end of the reporting month.

Payment voucher on Letter-of-Credit Transmittal - CMS-1521

Monthly - within 15 days after the end of the reporting month.

Monthly Intermediary Financial Report, CMS-1522

Same as above

*Banking* Schedules,

*Schedule of Itemized Bank Services Provided Report and Recap of Daily Available Balances*

Monthly - within 15 days after the end of the reporting month