

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-20 One-Time Notification	Centers for Medicare & Medicaid Services (CMS)
Transmittal 1237	Date: May 17, 2013
	Change Request 8310

SUBJECT: Analysis and Design of VMS for implementing system changes for handling Bankrupt Suppliers

I. SUMMARY OF CHANGES: CMS is requesting to conduct analysis and design sessions to discuss identifying and tracking accounts receivable and payable information, supply system generated reports and to include functions for the bankruptcy status that would allow the DME MACs to hold claims that precede the bankruptcy filing date and release claims that follow the bankruptcy filing date. In addition, ViPS and the DME MACs are to supply ad-hoc reporting until a systems change is fully implemented.

EFFECTIVE DATE: October 1, 2013

IMPLEMENTATION DATE: October 7, 2013

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/revise 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; Contractors activities are to be carried out with 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 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

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

Attachment - One-Time Notification

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SUBJECT: Analysis and Design of VMS for implementing system changes for handling Bankrupt Suppliers

EFFECTIVE DATE: October 1, 2013

IMPLEMENTATION DATE: October 7, 2013

I. GENERAL INFORMATION

A. Background: The VMS system lacks the functionality to control and properly identify accounts receivables and accounts payables for bankrupt suppliers. There is an urgent need to develop VMS changes to identify and track accounts receivable and payable information, supply system generated reports and to include functions for the bankruptcy status that would allow the DME MACs to hold claims that precede the bankruptcy filing date and release claims that are on or after the bankruptcy filing date. The bankruptcy flag that is currently in use places the VMS system in a single state of payment. The system needs to be in a dual state or an automatic “on” or “off” state so that CMS can separate the receivables and payables around the bankruptcy filing date. The DME MACs have been using the “DNF Flag” as a substitute but this option does not have the capability to identify receivables and payables in a timely manner or the capability to control payments. To achieve this functionality, the system must first be capable of quickly identifying, separating, and tracking the accounts receivables and payables across the DME MAC regions.

CMS’ ability to obtain timely and consistent reporting for claims processed in VMS is significantly reduced for suppliers that have claims processing in more than one DME MAC region. There is no means by which to generate a report in VMS to determine the claims accounts receivables and payables present at each of the DME MAC regions for a single supplier. This information would have to be obtained by contacting each of the DME MACs and have them run a separate report and return it to the requester. This process has been proven to be inefficient and potentially costly when attempting to recover Medicare overpayments. In the event a supplier files for bankruptcy, CMS needs to be able to obtain this information without delay to prevent financial losses to the Medicare Trust Fund.

CMS is requesting to conduct analysis and design sessions to discuss what changes need to be made to VMS to achieve the aforementioned objectives. The analysis and design sessions will include personnel from CMS, ViPS and the DME MACs. If other entities are required to participate in the analysis and design sessions, CMS will request their participation.

Additionally, ViPS and the DME MACs created an ad-hoc Excel spreadsheet report for claim information related to a large bankruptcy filed in February 2013. When a supplier files for bankruptcy, CMS has to respond to the case within two weeks. Recently, there have been additional suppliers to file for bankruptcy, and there is a need for further ad-hoc reporting. CMS will supply ViPS and the DME MACs with the NSC IDs and pre-petition dates of these suppliers as the notification of the suppliers bankruptcy filing is received. CMS requests that ViPS and the DME MACs create similar ad-hoc Excel spreadsheet reports for additional bankrupt DME suppliers, and for these reports to be delivered to CMS as soon as possible or at most within 2 weeks of receipt of the NSC IDs and pre-petition dates.

B. Policy: N/A.

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	F I L E R I E S	C R I T E R I A L	R H I S I S S I O N	Shared- System Maintainers				Other
		A	B	H H H					F I S S	M S S	V M S	C W F	
8310.1	The VMS shared systems maintainer and DME MACs shall create ad-hoc Excel spreadsheet reports for additional bankrupt DME suppliers. NOTE: The DME MACs created an ad-hoc Excel spreadsheet report of claims data for a large bankruptcy situation in February 2013, using data files provided by the VMS shared systems maintainer. This same method is to be used, until full implementation of future systems changes.				X						X		EDCs
8310.1.1	The VMS shared systems maintainer shall attempt to include paid claims as well as claims on the "payment floor" in the ad-hoc data files.										X		
8310.1.2	CMS will provide a list of NSC IDs for bankrupt suppliers to the VMS shared systems maintainer once a supplier has filed for bankruptcy.												CMS
8310.1.3	CMS will provide the pre-petition dates for bankrupt suppliers to the VMS shared systems maintainer once a supplier has filed for bankruptcy.												CMS
8310.1.4	The VMS shared systems maintainer shall deliver separate ad-hoc data files for the bankrupt suppliers to the DME MACs as soon as possible or at most within 2 weeks of receipt of the NSC IDs and pre-petition dates.										X		CMS
8310.1.5	The DME MACs shall provide separate Excel spreadsheet reports for the bankrupt suppliers to CMS as soon as possible or at most within 2 weeks of receipt of the NSC IDs and pre-petition dates.				X								CMS
8310.2	Contractors shall participate in analysis and design sessions with CMS staff on a weekly basis regarding the requirements for implementing changes into VMS to handle the modification of the bankruptcy flag to hold pre-petition claims and pay post-petition claims and the identification, tracking and reporting of data for bankrupt suppliers across DME MAC regions.				X						X		CMS

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility							
		A/B MAC			D M E	F I	C A R R I E R	R H H I	Other
		A	B	H H H	M A C				
	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:
	None.

Section B: All other recommendations and supporting information: N/A

V. CONTACTS

Pre-Implementation Contact(s): Joanne Jackson, 215.861.4388 or Joanne.Jackson@cms.hhs.gov

Post-Implementation Contact(s): Contact your Contracting Officer's Representative (COR) or Contractor Manager, as applicable.

VI. FUNDING

Section A: For Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs), and/or Carriers:

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