

<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 236</b>	<b>Date: June 13, 2014</b>
	<b>Change Request 8663</b>

**SUBJECT: Revisions to Pub. 100-06, Section 100.2 – Amending Letter of Credit**

**I. SUMMARY OF CHANGES:** All requests for new or amended Letters of Credit (LOC), whether considered routine or emergency, must be submitted no later than six business days prior to the calendar date of the actual need. All requests must be sent via email to DFSE@cms.hhs.gov; the appropriate Regional Office (RO) contacts should also be copied on the request.

Section 100.2 of Pub.100-06 is being revised to update the conditions requiring new LOCs and the conditions requiring amended LOCs.

**EFFECTIVE DATE: June 2, 2014**

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

**IMPLEMENTATION DATE: July 15, 2014**

*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.

<b>R/N/D</b>	<b>CHAPTER / SECTION / SUBSECTION / TITLE</b>
R	5/100.2/Amending Letters of Credit

**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 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:**

**Business Requirements  
Manual Instruction**

# Attachment - Business Requirements

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## I. GENERAL INFORMATION

**A. Background:** A change to the Internet Only Manual (IOM) Pub. 100-06, section 100.2 - Amending Letter of Credit (LOC) is needed to maintain current guidance for providers, contractors, and components within CMS as it relates to all requests for new or amended Letters of Credit (LOC), whether considered routine or emergency. All requests must be submitted not later than six business days prior to the calendar date of the actual need. All requests must be sent via email to DFSE@cms.hhs.gov by the MACs; the appropriate Regional Office (RO) contacts should also be copied on the request.

**B. Policy:** Contractors shall implement this policy within 30 days of issuance of the Change Request.

## II. BUSINESS REQUIREMENTS TABLE

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

Number	Requirement	Responsibility									
		A/B MAC			D M E	Shared-System Maintainers				Other	
		A	B	H		F	M	V	C		
8663.1	Contractors shall submit all requests to revise the Letter of Credit monthly limitation, either routine or emergency, to CMS no later than six business days prior to the calendar date of the actual need.	X	X	X	X						
8663.1.1	Contractors shall submit requests via email to DFSE@cms.hhs.gov as well to the appropriate Regional Office (RO) contacts.	X	X	X	X						

## III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility				
		A/B MAC			D M E	C E D I
		A	B	H		
	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:
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**Section B: All other recommendations and supporting information: N/A**

#### V. CONTACTS

**Pre-Implementation Contact(s):** Darria Mosley, 410-786-6554 or darria.mosley@cms.hhs.gov (Isacc Steinharter).

**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**

## **100.2 - Amending Letter-of-Credit**

*(Rev. 236, Issued: 06-13-14, Effective: 06-02-14, Implementation: 07-15-14)*

*All requests for new or amended Letters Of Credit, whether considered routine or emergency, must be submitted no later than 6 business days prior to the calendar date of the actual need. All requests must be sent via email to [DFSE@cms.hhs.gov](mailto:DFSE@cms.hhs.gov); the appropriate Regional Office (RO) contacts should also be copied on the request.*

*Conditions requiring new LOCs include but are not limited to:*

- A new MAC joins the Medicare program;*
- A MAC assumes a new workload from another MAC;*
- A complete or partial change in MAC's name;*
- A change in the name of the MAC's servicing bank; or*
- A change in the Federal Reserve Bank or Branch servicing the MAC's commercial bank.*

*Conditions requiring amended LOCs include but are not limited to:*

- A permanent increase or decrease in the LOC funding limitation due to significant change in Medicare workload or expenditure that is expected to affect the MAC's financial needs;*
- A temporary increase in the LOC funding limitation to cover all Medicare checks and Electronic Funds Transfer (EFT) payments presented to the bank for payment within a given month.*