

<b>CMS Manual System</b>	<b>Department of Health &amp; Human Services (DHHS)</b>
<b>Pub 100-20 One-Time Notification</b>	<b>Centers for Medicare &amp; Medicaid Services (CMS)</b>
<b>Transmittal 683</b>	<b>Date: April 28, 2010</b>
	<b>Change Request 6790</b>

**SUBJECT: Analysis of the Expansion of the Legal Business Name (LBN), Practice Location and Special Payment Address Fields in the Viable Medicare System (VMS)**

**I. SUMMARY OF CHANGES:** Upon implementation of PECOS Release 7.1, PECOS will transmit daily systems updates to VMS. Expanding VMS' LBN name field to 60 characters and VMS's address lines 1 and 2 fields to 55 characters will allow the LBNs and address lines 1 and 2 to be entered from PECOS by the NSC MAC into the VMS DMEPOS supplier file without truncating or abbreviating, eliminating future errors, mismatches and postal service misunderstandings. It is not CMS's intent to use the 60 character LBN field, or the 55 character practice location and special payments address line 1 and 2 fields for all external interfaces. In addition, the 60 character LBN field complies with ANSI X12N 5010 requirements and is 10 characters less than field ranges in the PECOS system.

**EFFECTIVE DATE: OCTOBER 1, 2010**

**IMPLEMENTATION DATE: OCTOBER 4, 2010**

**II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)**  
**R=REVISED, N=NEW, D=DELETED**

<b>R/N/D</b>	<b>CHAPTER / SECTION / SUBSECTION / TITLE</b>
N/A	

**III. FUNDING:**

**For Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs) and/or Carriers:**  
Not Applicable.

**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

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**SUBJECT: Analysis of the Expansion of the Legal Business Name (LBN), Practice Location and Special Payment Address Fields in the Viable Medicare System (VMS)**

**EFFECTIVE DATE: OCTOBER 1, 2010**

**IMPLEMENTATION DATE: OCTOBER 4, 2010**

## **I. GENERAL INFORMATION**

**A. Background:** Provider Enrollment Chain and Ownership System (PECOS) Release 7.1 will require all Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) supplier information to be transmitted from PECOS to VMS. The VMS master DMEPOS supplier file holds fields containing enrollment data that will only be updated with data from PECOS. Currently, the VMS supplier file LBN field contains 40 characters and the VMS master file address fields contain 31 characters. When VMS receives LBNs and address fields from the National Supplier Clearinghouse Medicare Administrative Contractor (NSC MAC), CMS' current DMEPOS supplier enrollment contractor, the file is abbreviated and/or truncated by utilizing an automated program designed to abbreviate and/or truncate the words in a DMEPOS supplier's LBN to fit in the current VMS 40 character limit. This expansion will no longer require the NSC MAC to use an automated program to abbreviate and/or truncate the words in a DMEPOS supplier's LBN to fit in the current VMS 40 character limit. Abbreviating words in a legally binding name causes discrepancies in the claims processing systems between the Durable Medical Equipment Medicare Administrative Contractors (DME MAC) supplier LBNs and the supplier's LBN as reported to the IRS for tax reporting purposes. The LBN of a DMEPOS supplier is used for claims payment, issuance of Internal Revenue Service (IRS) forms as well as other areas of reporting and production. CMS intends to eliminate errors in the issuance of IRS form 1099 with the expansion of the LBN field. As this is a separate process, this use of expanded LBN fields would not impact claims payment or data identified on the SPR header field. The same is true for the PECOS address fields for practice location address and special payments address. In addition, it is not CMS' intent to use the 60 character LBN field, nor the 55 character practice location and special payments address line 1 and 2 fields for all external interfaces. The current method of utilizing an automated program designed to abbreviate and/or truncate the words in a DMEPOS supplier's address field causes discrepancies between the enrollment and claims processing systems, negatively impacting the efficiency and effectiveness of the processing of DMEPOS supplier claims, increasing payment errors, including overpayments, and will cause the transition from the current enrollment system maintained by the NSC MAC to PECOS to be populated incorrectly. Communication and coordination has been initiated between the PECOS maintainer and the VMS maintainer to establish the requirements for the export/import functions via Pub. 100-20, One-Time Notification, Transmittal 672, Change Request 6353, dated April 16, 2010.

Upon implementation of PECOS Release 7.1, PECOS will transmit daily systems updates to VMS. Expanding VMS' LBN name field to 60 characters and VMS' address lines 1 and 2 fields to 55 characters will allow the LBNs and address lines 1 and 2 to be entered from PECOS by the NSC MAC into the VMS DMEPOS supplier file without truncating or abbreviating, eliminating future errors, mismatches and postal service misunderstandings. It is not CMS' intent to use the 60 character LBN field, or the 55 character practice location and special payments address line 1 and 2 fields for all external interfaces. In addition, the 60 character LBN field complies with ANSI X12N 5010 requirements and is 10 characters less than field ranges in the PECOS system.



Number	Requirement	Responsibility									
		A / B	D M E	F I	C A R R I E R	R H I	Shared-System Maintainers				OTHER
							F I S S	M C S	V M S	C W F	
	location and special payment address fields 1 and 2 from 31 to 55 characters, as that is an internal informational field.										
6790.5.1	VMS shall note it may use any process or software of their choice to handle the character difference between their SPR header section identifying address fields 1 and 2 (i.e., dropping characters after the field is fully populated).									X	
6790.6	VMS shall note no changes are to be made to the city, State, zip code or country fields in PECOS or VMS at this time.									X	
6790.7	VMS shall note their analysis shall not include downstream users of PECOS or VMS as these users are not required to expand their LBN or address fields. Downstream users may use any process or software of their choice to handle the character difference between their systems and the PECOS and VMS systems.									X	
6790.8	VMS shall send its completed analysis to <a href="mailto:Kimberly.mcphillips@cms.hhs.gov">Kimberly.mcphillips@cms.hhs.gov</a> no later than August 20, 2010.									X	

### III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility									
		A / B	D M E	F I	C A R R I E R	R H I	Shared-System Maintainers				OTHER
							F I S S	M C S	V M S	C W F	
	None										

### IV. SUPPORTING INFORMATION

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

X-Ref Requirement Number	Recommendations or other supporting information:

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

### V. CONTACTS

**Pre-Implementation Contact(s):** Kimberly McPhillips, [kimberly.mcphillips@cms.hhs.gov](mailto:kimberly.mcphillips@cms.hhs.gov) or 410-786-5374

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**Post-Implementation Contact(s):** Kimberly McPhillips, [kimberly.mcphillips@cms.hhs.gov](mailto:kimberly.mcphillips@cms.hhs.gov) or 410-786-5374

**Alternate contact** – Sandra Olson, [sandra.olson@cms.hhs.gov](mailto:sandra.olson@cms.hhs.gov) or 410-786-1325

## **VI. FUNDING**

**Section A: For *Fiscal Intermediaries (FIs) and Carriers* use only one of the following statements:**

Not Applicable

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