

<b>CMS Manual System</b>	<b>Department of Health &amp; Human Services (DHHS)</b>
<b>Pub 100-08 Medicare Program Integrity</b>	<b>Centers for Medicare &amp; Medicaid Services (CMS)</b>
<b>Transmittal 398</b>	<b>Date: November 4, 2011</b>
	<b>Change Request 7479</b>

**SUBJECT: Revision of PIM Chapter 3, Section 3.7.5, Part B, Corrective Action Reporting on CMS and OIG Identified Vulnerabilities spreadsheet submission instructions**

**I. SUMMARY OF CHANGES:** The MACs and ACs shall submit the Corrective Action Reporting on CMS and OIG Identified Vulnerabilities spreadsheet in Excel via email to both the CMS contact indicated on the most recent TDL from CMS which includes the list of errors/vulnerabilities and their appropriate ZPIC/PSC.

**EFFECTIVE DATE: December 5, 2011**

**IMPLEMENTATION: December 5, 2011**

*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.

<b>R/N/D</b>	<b>CHAPTER / SECTION / SUBSECTION / TITLE</b>
R	Table of Contents
R	3.7.5/ Part B, Corrective Action Reporting on CMS and OIG Identified Vulnerabilities

**III. FUNDING:**

**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.

**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**

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**SUBJECT: Revision of PIM Chapter 3, Section 3.7.5, Part B, Corrective Action Reporting on CMS and OIG Identified Vulnerabilities spreadsheet submission instructions**

**Effective Date: December 5, 2011**

**Implementation Date: December 5, 2011**

**I. GENERAL INFORMATION**

**A. Background:**

The Office of Financial Management has reorganized the Program Integrity Manual. The information in this request is for PIM Chapter 3, Section 3.7.5, Part B, Corrective Action Reporting on CMS and OIG Identified Vulnerabilities spreadsheet submission instructions to changed as follows: The MACs and ACs shall submit the Corrective Action Reporting on CMS and OIG Identified Vulnerabilities spreadsheet in Excel via email to both the CMS contact indicated on the most recent TDL from CMS which includes the list of errors/vulnerabilities and their appropriate ZPIC/PSC.

**B. Policy:**

Updates Section 3.7.5 of PIM, Chapter 3.

**II. BUSINESS REQUIREMENTS TABLE**

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B  M A C	D M E  M A C	F I  M A C	C A R E R	R H I  I E R	Shared- System Maintainers	F I S S	M C S	V M S	C W F
7479.1	The MACs and ACs shall submit the Corrective Action Reporting on CMS and OIG Identified Vulnerabilities spreadsheet in Excel via email to both the CMS contact indicated on the most recent TDL from CMS which includes the list of errors/vulnerabilities and their appropriate PSC/ZPIC.	X	X	X	X	X					

### III. PROVIDER EDUCATION TABLE

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

### IV. SUPPORTING INFORMATION

**Section A:** For any recommendations and supporting information associated with listed requirements, use the box below: N/A

X-Ref Requirement Number	Recommendations or other supporting information:
	None.

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

### V. CONTACTS

**Pre-Implementation Contact(s):**

Joy Sam, 410-786-4192, Joy.Sam@cms.hhs.gov

**Post-Implementation Contact(s):**

Contact your Contracting Officer's Technical Representative (COTR) or Contractor Manager, as applicable.

### VI. FUNDING

**Section A:** For *Fiscal Intermediaries (FIs)*, *Regional Home Health Intermediaries (RHHIs)*, and/or *Carriers*, use only one of the following statements:

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)*, include 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.

### **3.7.5 – Corrective Action Reporting Requirements** (Rev. 398, Issued: 11-04-11, Effective: 12-05-11, Implementation: 12-05-11)

#### **A. General**

This section applies to MACs and ACs.

The MACs shall submit their first reports for both corrective actions and overpayment recovery on March 1, 2011.

The CMS will provide information to the Contractors regarding CMS and OIG- identified vulnerabilities via Joint Signature Memoranda/Technical Direction Letters (JSM/TDLs). The JSM/TDLs will be sent to the MACs and ACs each quarter on or around January 1, April 1, July 1 and October 1.

#### **B. Corrective Action Reporting on CMS and OIG Identified Vulnerabilities**

The CMS will provide MACs and ACs with a list of errors/vulnerabilities on a quarterly basis. These errors/vulnerabilities may be uncovered by the CERT program, the Recovery Auditor program, OIG audits, through internal CMS analysis or other means. MACS and ACs shall review the list and provide detailed comments back to the CMS. The detailed comments shall include any corrective actions 1) taken by the MACS and ACs 2) in progress by the MACS and ACs 3) planned by the MACS and ACs for future action, or 4) suggested by the MACS and ACs for CMS to undertake in the future. Detailed comments may also include any pertinent background or other information deemed important by the MACS and ACs.

MACS and ACs shall submit their response, including detailed comments to CMS on or before March 1, June 1, September 1, and December 1. If the due dates fall on a weekend or a federal holiday, the Contractor shall submit the report on the closest business day after the weekend or holiday. MACS and ACs shall submit the **Corrective Action Reporting on CMS and OIG Identified Vulnerabilities spreadsheet** in Excel via email to *both* the CMS contact indicated in the most recent JSM/TDL from CMS which includes the list of errors/vulnerabilities *and their appropriate PSC/ZPIC*. MACS and ACs shall use the format “Corrective Actions Taken on CMS and OIG-Identified Vulnerabilities Format” located in Exhibit 18 for reporting purposes. **Contractors have** the discretion to readjust the format for use in Excel but all fields shall be completed.

#### **C. Overpayment Recovery Reporting**

The CMS will provide the MACs with specific claims information from Office of the Inspector General (OIG) audits on a quarterly basis via JSM/TDLs. These specific claims have not been reviewed by the OIG and overpayments have not yet been identified. The MACs have the discretion to review these specific OIG-identified claims. The MACs shall report overpayment recoveries pertaining to the specific OIG-identified claims to the CMS on a quarterly basis. If the MAC does not plan on conducting review or cannot conduct review on the specific OIG-identified claims, the MAC shall indicate that no medical review will be conducted and shall also indicate the reason why no medical review and/or overpayment recovery will be conducted on

the particular claims set. The reporting shall include the Medicare contractor number, the OIG audit number (e.g. A-01-08-00528, OEI-01-04-0060) and the cumulative amount collected on the overpayments resulting from the specific set of OIG-identified claims. The cumulative amount shall include appeals. The CMS will indicate the “final reporting date” in the reporting document when the recovery process has been completed for a specific set of OIG-identified claims. CMS will indicate when the report shall be closed. The MACs have the discretion to report on overpayments that have been referred or are uncollectable at this time resulting from the specific set of OIG-identified claims.

The MACs shall submit their response to CMS on or before March 1, June 1, September 1, and December 1. If the due dates fall on a weekend or a federal holiday, the MACs shall submit the report on the closest business day after the weekend or holiday. The MACs shall submit their response in Excel via email to the CMS contact indicated in the most recent JSM/TDL from CMS which includes the claim information and report number. The MACs shall use the format titled “Overpayment Recovery on OIG Claims Format” located in Exhibit 18 for reporting purposes. The MAC has the discretion to readjust the format for use in Excel. The MAC shall complete all fields in the format except for the one optional column. The MACs have the discretion to complete the column titled “Overpayments referred or uncollectable (in dollars).”