



DATE: February 28, 2020

TO: State Medicaid/Fiscal Administrators

FROM: Director, Division of Financial Reporting & Policy
Accounting Management Group
Office of Financial Management

SUBJECT: Annual Survey of Medicaid Payables and Receivables & Questionnaire

The Centers for Medicare & Medicaid Services (CMS) prepared its fiscal year (FY) 2018 Annual Financial Report as required by the Public Law 103-356, (the Government Management Reform Act of 1994), section 3515. CMS estimated 1) an accounts payable for the services rendered by Medicaid providers as of the end of the fiscal year, which have not yet been reported on the Quarterly Statement of Medicaid Expenditures, Form CMS-64, and 2) an accounts receivable for all amounts due to the states from various sources, excluding the Federal Government. This estimate is referred to as Entitlement Benefits Due and Payable or incurred but not yet reported (IBNR). IBNR payables result from Medicaid medical services incurred but not paid as of September 30, the Federal Government's fiscal year-end. The Medicaid amount is the net of unreported expenses incurred by the states less amounts owed to the states for overstated claims and drug rebates. CMS reported a net estimate of \$36 billion for FY 2018.

In April 2019, we asked each state and territory to complete Form CMS-R199, the Survey of Medicaid Payables and Receivables, and to complete a state questionnaire regarding the IBNR. We are again asking each state and territory to prepare the Form CMS-R199 based on your final audited payable and receivable numbers that are reported on your most recently audited Comprehensive Annual Financial Report (CAFR). **Do not report amounts owed to or due from CMS related to deferrals and disallowances that exist as of the dates indicated in the survey.**

The Form CMS-R199 and questionnaire will be available through the Incurred But Not Reported Survey (IBNRS) module of the web-based Medicaid and CHIP Financial (MACFin) System, which is used to collect the required information. MACFin onboarding instructions will be sent to users by email Monday, December 9, 2019 through Friday, January 17, 2020. A hard copy of the State IBNRS User Guide will also be distributed at that time.

In addition, the Medicaid IBNR state questionnaire is required to be completed prior to certification of the entire submission. The Medicaid IBNR state questionnaire directly follows the survey and each state and territory will be prompted to answer the questions. CMS utilizes the state questionnaire to determine if there were any "extenuating factors" that may affect the Medicaid IBNR calculation. States and territories will be able to fill out the state questionnaire and submit their responses electronically. The CMS Regional Offices will be reviewing the

survey and responses to the questions for reasonableness and accuracy. ***It is critical to the review process that all responses be as detailed and descriptive as possible.***

States and territories should document the process for identifying Medicaid IBNR payables. Work papers should be used to document and support any decisions drawn relating to the process used and the payables reported on the survey. The new MACFin/IBNRS module features the option of uploading work papers directly to the system. Work papers prepared by the states and territories should be available upon request in the event that CMS Central Office, CMS Regional Office staff, or other parties on behalf of CMS, come onsite to review state Medicaid IBNR documentation.

The IBNRS system will be available for input beginning Monday, March 2, 2020, for states and territories to fill out and submit their surveys and questionnaires. The IBNRS system will close on Tuesday, March 31, 2020. The surveys and questionnaires must be submitted between March 2 and March 31, 2020.

For specific questions regarding the survey, you may contact Beverly Boher at 410-786-7806, or Beverly.Boher@cms.hhs.gov.

Lataysheia Lance, CPA

cc:

Maria C. Montilla, CPA, Director, Accounting Management Group
Kristin Fan, Center for Medicaid and State Operations
All Associate Regional Administrators for Medicaid