

<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 399</b>	<b>Date: November 7, 2008</b>
	<b>Change Request 6202</b>

**SUBJECT: Apply IRS Form 1099-MISC Updates to VMS System**

**I. SUMMARY OF CHANGES:** The purpose of this One-Time Notification is to instruct the VMS contractor to make IRS required updated changes to the system's official IRS Form 1099-MISC template.

**NEW / REVISED MATERIAL**

**EFFECTIVE DATE:** \*January 1, 2008

**IMPLEMENTATION DATE:** January 5, 2009

*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.

R/N/D	Chapter / Section / Subsection / Title
N/A	

**III. FUNDING:**

SECTION A: For Fiscal Intermediaries and Carriers:

Not Applicable.

SECTION B: For Medicare Administrative Contractors (MACs):

Not Applicable.

**IV. ATTACHMENTS:**

**One-Time Notification**

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

# Attachment – One-Time Notification

Pub. 100-20	Transmittal: 399	Date: November 7, 2008	Change Request: 6202
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**SUBJECT:** Apply IRS Form 1099-MISC Updates to VMS System

**EFFECTIVE DATE:** January 1, 2008 (date of payment)

**IMPLEMENTATION DATE:** January 5, 2009

**NOTE:** This One-Time Notification is being submitted in the event IRS changes the current format of the IRS Form 1099-MISC. The VMS system is currently programmed based on the format of the 2007 IRS Form 1099-MISC layout. The 2008 IRS Form 1099-MISC currently available on the IRS web site is identical to the 2007 form. In the event IRS changes the format, this CR would allow the VMS contractor adequate time to program the template to populate the appropriate fields with the required reportable data based on the IRS revised Form 1099-MISC layout.

## I. GENERAL INFORMATION

### A. Background: Reporting Requirements For Federal Agencies

The reporting requirements of the Internal Revenue Code, Section 6041A states that any service-recipient engaged in a trade or business that pays in the course of such trade or business during any calendar year remuneration for such services in the aggregate of \$600 or more, must file an information return. The \$600 or more paid by a Federal executive agency to a corporation is also subject to the information reporting requirements per section 6041A(d)(3). However, contracts between Federal agencies and corporations that qualify as classified or confidential (i.e., for national security reasons) under Internal Revenue Code, Sections 6050M (e) and 6050M.

### Centers for Medicare & Medicaid Services, HHS 42 CFR 400.202 – Definitions specific to Medicare:

“*Services* means medical care or services and items, such as medical diagnosis and treatment, drugs and biological, supplies, appliances, and equipment, medical social services, and use of hospital, CAH, or SNF facilities.”

### Internal Revenue Service – Special Rules:

Payments reportable to Corporations: Payments by Federal agencies to corporations are not exempt from the filing requirements. Internal Revenue Code, Section 6041A(d)(3) provides that payments made for services performed by a corporation are subject to information reporting requirements when the remuneration has been paid to the corporation by a Federal executive agency.

**B. Policy:** DME MAC shall follow all Internal Revenue Service (IRS) reporting rules and regulations (Rev. Rul. 70-608)

## II. BUSINESS REQUIREMENTS TABLE

Use "Shall" to denote a mandatory requirement

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B  M A C	D M  M A C	F I  M A C	C A R I E R	R H R I	Shared-System Maintainers				OTH ER
						F I S S	M C S	V M S	C W F		
6202.1	The contractor shall make IRS required update changes to the VMS official Form 1099-MISC template as instructed by IRS.								X		
6202.1.1	The contractor shall comply with IRS Form 1099-MISC rules, regulations, procedures and instructions as published at <a href="http://www.irs.gov">www.irs.gov</a> .							X			

## III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B  M A C	D M  M A C	F I  M A C	C A R I E R	R H R I	Shared-System Maintainers				OTH ER
						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**

Use "Should" to denote a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:

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

This CR allows CMS contractor to make IRS required changes to the system's official IRS Form 1099-MISC template to accomplish the business requirements as required in CR 5816 – Support Income Tax Reporting and CR 6117 – Administrative Instructions for Income Tax Reporting, both are Final Issued.

**V. CONTACTS**

**Pre-Implementation Contact(s):** Gary (Pete) Rhodes, [Gary.Rhodes@cms.hhs.gov](mailto:Gary.Rhodes@cms.hhs.gov), (410) 786-6554  
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**Post-Implementation Contact(s):**

**VI. FUNDING**

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

Not applicable

**Section B: For *Medicare Administrative Contractors (MACs)* :**

Not applicable