CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-05 Medicare Secondary Payer	Centers for Medicare & Medicaid Services (CMS)
Transmittal 59	Date: FEBRUARY 22, 2008
	Change Request 5823

Subject: Treasury Collections on MSP Debt

I. SUMMARY OF CHANGES: Provides instructions for posting and reporting collections received from the Department of Treasury through cross-servicing.

New / Revised Material
Effective Date: April 1, 2008
Implementation Date: April 7, 2008

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
R	7/60/7 Treasury Collections
N	7/60/7.1/Background
N	7/60/7.2/Intra-governmental Payment and Collection System
N	7/60/7.3/Debt Collection System (DCS)
N	7/60/7.4/Collection/Refund Spreadsheet
N	7/60/7.5/Financial Reporting for Collection/Refund Spreadsheet
N	7/60/7.6/Debt Paid in Full
N	7/60/7.7/Treasury Approved Extended Repayment Schedule (ERS)
N	7/60/7.8/Excess Collections
N	7/60/7.8.1/Applying an Excess Collection
N	7/60/7.8.2/If the Debtor Has Other Outstanding Debt
N	7/60/7.8.3/If the Debtor Has No Other Outstanding Debt
N	7/60/7.8.4/Additonal Instructions for MSP Excess Collections

N	7/60/7.9/Financial Reporting for Collections Received on Debts from Cross-Servicing
N	7/60/9.3/Exhibit 3/Collection/Refund Spreadsheet
N	7/60/9.4/Exhibit 4/Treasury Cross-Servicing Dispute Resolution Form

III. FUNDING:
SECTION A: For Fiscal Intermediaries and Carriers:
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):
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

Pub. 100-05	Transmittal: 59	Date: February 22, 2008	Change Request: 5823

SUBJECT   **Treasury Collections on Medicare Secondary Payer (MSP) Debts**

Instructions for Medicare Secondary Payer (MSP) debts on posting and reporting collections received from the Department of the Treasury (Treasury) as a result of cross-servicing efforts.

Effective Date: April 1, 2008

Implementation Date: April 7, 2008.

I.   GENERAL INFORMATION

A.   Background: Eligible delinquent debt is referred to Treasury for collection as part of the requirements of the Debt Collection Improvement Act of 1996 (DCIA).   These instructions will address the collections Treasury receives on MSP debts.

B.   Policy: In accordance with the DCIA, CMS is required to refer all eligible delinquent debt to Treasury or a Treasury designated DCC for cross-servicing. This document provides instructions for posting and reporting collections received as a result of Treasury's collection efforts.

II.   BUSINESS REQUIREMENTS TABLE

Use "Shall" to denote a mandatory requirement

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B MAC	D M E MAC	F I	C A R R I E R	R H H I	Shared-System Maintainers				OTHER
							F I S S	M C S	V M S	C W F	
5823.1	Medicare contractors will receive Treasury collection information via the Collection/Refund Spreadsheet.	X	X	X	X	X					HIGLAS MSPRC
5823.2	Upon receipt of the Collection/Refund Spreadsheet, Medicare contractors shall apply the collection to the principal and interest amounts as indicated.	X	X	X	X	X					HIGLAS MSPRC
5823.3	Medicare contractors shall use the current date as the date of collection to post the Treasury collections to their systems.	X	X	X	X	X					HIGLAS MSPRC
5823.4	For collection of interest only, Medicare contractors shall post the interest as shown on the Collection/Refund Spreadsheet. No interest adjustment is required prior to posting the collection.	X	X	X	X	X					HIGLAS MSPRC
5823.5	For collection of principal and interest, Medicare contractors shall manually adjust the amount of interest	X	X	X	X	X					HIGLAS MSPRC

Number	Requirement	A / B MAC	D M E MAC	F I	C A R R I E R	R H H I	FISS	MCS	VMS	CWF	OTHER
	accrued to the amount of interest collected as listed on the spreadsheet. This will make the amount of the accrued interest equal to the amount of interest collected and listed on the Collection/Refund Spreadsheet.										
5823.6	Medicare contractors shall then post the collection.	X	X	X	X	X					HIGLAS MSPRC
5823.7	If a principal balance remains after posting the collection, interest, if appropriate, shall continue to accrue on the remaining principal balance	X	X	X	X	X					HIGLAS MSPRC
5823.8	Medicare contractors shall complete and return the Collection/Refund Spreadsheet to the CMS CO within 20 calendar days of receipt.	X	X	X	X	X					HIGLAS MSPRC
5823.9	For debts that are not yet reclassified to Currently Not Collectible (CNC), Medicare contractors shall report collections posted to the debts listed on the spreadsheet in Section A, Line 4c, Collections deposited at Another Location, and Section C, line 4c, Collections Deposited at Another Location, of Form CMS H/M 751.	X	X	X	X	X					HIGLAS MSPRC
5823.10	If the debt is in a CNC status, the amounts collected shall be reported in Section A, Line 4a, Re-established as Active A/R, and Section C, Collections on CNC debt of the Form CMS C/MC 751 and in Section A, Line 6b, Transfers In From CNC, and Line 4c, Collections Deposited at Another Location on Forms CMS H/M 751.	X	X	X	X	X					HIGLAS MSPRC
5823.11	The amount of accrued interest that is adjusted in order to equal the amount of interest collected and posted to the debt shall be reported on Line 5a, Adjusted Amounts, Internal Adjustments, of Form CMS H/M 751 or Line 4e, Other, of Form CMS C/MC 751 if the debt is in CNC status.	X	X	X	X	X					HIGLAS MSPRC
5823.12	Medicare contractors shall separately track interest adjustment amounts reported on the "Adjusted Amounts" line on Form CMS H/M 751 or reported on the "Other" line on the Forms CMS C/MC 751.	X	X	X	X	X					HIGLAS MSPRC
5823.13	The interest adjustment amounts shall be reported in the "Remarks" section of the Forms CMS 751.	X	X	X	X	X					HIGLAS MSPRC
5823.14	For Medicare contractors who have transitioned to the Healthcare Integrated General Ledger Accounting System (HIGLAS), collections reported and posted to the debts on the Collection/Refund Spreadsheet shall be reported on the Treasury Report on Receivables and Debt Collection Activities Report (TROR), Part I, Section A, Line 4(D), Collections by Treasury through Offset and Cross-	X	X	X	X	X					HIGLAS MSPRC

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B MAC	D M E MAC	F I	C A R R I E R	R H H I	FISS	MCS	VMS	CWF	OTHER
	Servicing and in Part II, Section C, Line 1(G), By Treasury/Designated Debt Collection Center Cross-Servicing.										
5823.15	If the debt is in a Currently Not Collectible (CNC) status, the amounts collected shall be reported in Part I, Section on Line 5(A), Line 4 (D), Collections by Treasury Through Offset) Reclassified/Adjusted Amounts and Cross-Servicing, and Line 5(E), Written-Off Debts Reinstated for Collections. It shall also be reported in Part II, Section C, Line 1(G), By Treasury/Designated Debt Collection Center Cross-Servicing.	X	X	X	X	X					HIGLAS MSPRC
5823.16	If the status code of the debt on the Collection/Refund Spreadsheet indicates that the debt is in a Treasury approved Extended Repayment Schedule (ERS), (status code UR), Medicare contractors shall remove the debt from any internal withhold/recoupment status.	X	X	X	X	X					HIGLAS MSPRC
5823.17	Medicare contractors shall apply each payment to principal and interest, based on the breakout as indicated on the spreadsheet and follow instructions as outlined in section 60.7.5.	X	X	X	X	X					HIGLAS MSPRC
5823.18	Medicare contractors shall continue to accrue interest on the remaining outstanding principal balance until notified by CMS CO that the debt is paid in full.	X	X	X	X	X					HIGLAS MSPRC
5823.19	Debts that are in a Treasury approved ERS shall be reported as current on the Forms CMS H/M 751 unless the debt is already in CNC classification. Debts already in CNC shall remain in CNC and continue to be reported as delinquent on the Forms CMS C/MC 751.	X	X	X	X	X					HIGLAS MSPRC
5823.20	If the principal balance on the Collection/Refund Spreadsheet shows a negative balance, Medicare contractors shall apply the portion of the collection to the debt to bring the principal balance to zero. The Medicare contractor shall then determine if the debtor has any other outstanding debt that the excess collection can be applied to.	X	X	X	X	X					HIGLAS MSPRC
5823.21	If there are no other outstanding debts, the excess portion of the collection, after bringing the debt to a zero balance, shall be refunded. The amount of the refund shall be annotated on the spreadsheet. If the refund cannot be	X	X	X	X	X					HIGLAS MSPRC

Number	Requirement	A/B MAC	DME MAC	FI	CARRIER	RHHI	FISS	MCS	VMS	CWF	OTHER
	processed within the timeframe allotted for returning the spreadsheet, Medicare contractor shall annotate the spreadsheet as partially complete and return to CMS CO timely. An additional 15 days shall be allowed for processing refunds.										
5823.22	Once the refunds are processed, the completed Collection/Refund Spreadsheet shall be forwarded to CMS. A copy of the spreadsheet, with the appropriate annotations regarding the refund, shall be kept in the debtor file for audit trail purposes. The contractor shall make appropriate adjustments in DCS, as well as internal systems to reflect the refund activity. The refund information shall be posted to DCS using collection type RF to bring the DCS principal balance to zero. Contractors shall follow instructions for posting the refund as outlined in the DCS User Guide. (Exhibit 4, Pub. 100-6, Chapter 4, section 70.)	X	X	X	X	X					HIGLAS MSPRC
5823.23	If the debtor has other outstanding debt, Medicare contractors shall apply the portion of the collection to the debt in order to bring the balance to zero and close the debt.	X	X	X	X	X					HIGLAS MSPRC
5823.24	The excess collection shall then be applied to the oldest debt first (then next oldest), in accordance with established procedures for applying excess collections against a debtor's overpayments.	X	X	X	X	X					HIGLAS MSPRC
5823.25	The breakout of principal and interest on the Collection/Refund Spreadsheet does not apply when the excess collection is applied to another outstanding debt.	X	X	X	X	X					HIGLAS MSPRC
5823.26	Medicare contractors shall indicate on the spreadsheet the action taken and the way the collection was allocated to principal and interest on the other debt, and return the completed spreadsheet to CMS CO.	X	X	X	X	X					HIGLAS MSPRC
5823.27	If the collection is applied to other debt(s), the Medicare contractors shall first update the DCS with the DCS Collection Type Code of AD to zero the negative balance of the debt where the excess collection is identified.	X	X	X	X	X					HIGLAS MSPRC
5823.28	If the excess collection is applied to another debt currently at Treasury, Medicare contractor shall use AD to post the excess collection to the other debt(s).	X	X	X	X	X					HIGLAS MSPRC
5823.29	If the debtor is an Employer, and the payment creating the excess collection on a specific Employer debt is made by an Insurer, the Insurer is deemed to be acting as an agent	X	X	X	X	X					HIGLAS MSPRC

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B MAC	D M E MAC	F I	C A R R I E R	R H H I	Shared-System Maintainers				OTHER
							F I S S	M C S	V M S	C W F	
	of the Employer. If the amount paid exceeds the sum due on the individual debt for which payment was made, the excess monies have to be applied to the same combination of Employer/Insurer only. If there is no other outstanding debt for that same combination of Employer/Insurer, the Contractor shall issue a refund. (See section 60.7.8.3, which addresses the refund process.)										
5823.30	If an Employer has outstanding debts, and the monies were received from that Employer, the excess collection can be applied to other debts of the same Employer regardless of the Employer/Insurer combination. If there is no other outstanding debt for that Employer, the Contractor shall issue a refund. (See section 60.7.8.3, which addresses the refund process.)	X	X	X	X	X					HIGLAS MSPRC

III.   PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B MAC	D M E MAC	F I	C A R R I E R	R H H I	Shared-System Maintainers				OTHER
							F I S S	M C S	V M S	C W F	
5823.1	None.										

IV.   SUPPORTING INFORMATION
Section A: For any recommendations and supporting information associated with listed requirements, use the box below:
Use "Should" to denote a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:
	N/A

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

V. CONTACTS

Pre-Implementation Contact(s): Debbie Parzynski, Deborah.parzynski@cms.hhs.gov, 410-786-5435

Post-Implementation Contact(s): Debbie Parzynski, Deborah.parzynski@cms.hhs.gov, 410-786-5435

VI. FUNDING

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

Medicare Secondary Payer (MSP) Manual
Chapter 7 - Contractor MSP Recovery Rules

Table of Contents
(Rev. 59, 02-22-08)

60.7 Treasury Collections

60.7.1 Background
(Rev. 59, Issued: 02-22-08; Effective: 04-01-08; Implementation: 04-07-08)

Collections from the Department of the Treasury (Treasury) as a result of cross-servicing efforts are received by CMS central office (CO) through the Intra-governmental Payment and Collection (IPAC) system. Collections may be received as a result of collection efforts by Treasury's Servicing Center or by a Treasury contracted Private Collection Agency (PCA) including installment payments on Treasury approved extended repayment schedules or payments from offsets from the Treasury Offset Program (TOP). Treasury provides the CMS CO with a collection report generated from the IPAC system through the Program Support Center (PSC) of the Department of Health & Human Service (HHS) on a monthly basis.

60.7.2 Intra-governmental Payment and Collection System
(Rev. 59, Issued: 02-22-08; Effective: 04-01-08; Implementation: 04-07-08)

The collection report generated from the IPAC system includes a break out of principal and interest collected on individual debts; however, the report does not show the outstanding balance and the status of the debt after the collection. Due to system limitations, interest on the CMS debts that have been referred to Treasury and its PCAs does not continue to accrue on Treasury/PCA records during the entire collection process. Therefore, the amount of interest collected by Treasury or its PCAs may not equal the amount of interest shown as accrued by the Contractors. (Section 60.7.4 addresses procedures for this discrepancy.)

60.7.3 Debt Collection System
(Rev. 59, Issued: 02-22-08; Effective: 04-01-08; Implementation: 04-07-08)

The CMS CO shall update the Debt Collection System (DCS) for collection activity reflected in the IPAC collections reports. The principal balance reported in the DCS should reflect the principal balance being pursued by Treasury and its PCAs and should equal the principal balance reflected in Contractors' internal systems after posting the collection.

However, if the principal balance in Contractors' system does not agree with the principal balance reported in the DCS, Contractors shall research the discrepancy by querying the DCS collection screen to compare collection/adjustment entries to their internal systems/records to determine the difference. Any differences shall be reconciled and the appropriate systems shall be updated.

60.7.4 Collection/Refund Spreadsheet
(Rev. 59, Issued: 02-22-08; Effective: 04-01-08; Implementation: 04-07-08)

Contractors will receive the IPAC collections information from CMS CO via the Collection/Refund Spreadsheet. (See section 60.9.3, Exhibit 3.)   The Collection/Refund Spreadsheet, initially prepared by CMS CO, shall be forwarded to Contractors within 15 calendar days of receipt of the IPAC collections. However, no Collection/Refund Spreadsheet shall be forwarded to Contractors with less than 15 calendar days remaining in the quarter.

For each debt listed on the Collection/Refund Spreadsheet, Contractors shall apply the collection to principal and interest amounts as indicated on the Collection/Refund Spreadsheet. For collection of interest only, Contractors shall post the interest as shown on the Collection/Refund Spreadsheet. No interest adjustment is required prior to posting the collection. For collection of principal and interest, Contractors shall manually adjust the amount of interest accrued to the amount of interest collected as listed on the Collection/Refund Spreadsheet. This will make the amount of the accrued interest equal to the amount of interest collected and listed on the Collection/Refund Spreadsheet and allow posting of the collection in contractor systems, which require collections be applied first to interest accrued and the balance to principal. Once accrued interest is adjusted to the amount of interest collected, contractors are able to post the amount of principal collected as indicated on the Collection/Refund Spreadsheet.

If a principal balance remains after posting the collection, interest, if appropriate, shall continue to accrue on the remaining principal balance. Contractors shall use the current date as the date of collection to post the Treasury collections to their systems.

Contractors shall complete the Collection/Refund Spreadsheet and return it to CMS CO within 20 calendar days of receipt.

Note: Any principal balance that remains in Contractors' systems, after posting the collection activity, will be carried forward. Interest shall continue to accrue, as applicable, on any outstanding principal balances until notified by CMS CO that the debt is paid in full or compromised. See also section 60.7.6.

60.7.5 Financial Reporting for Collection/Refund Spreadsheet
(Rev. 59, Issued: 02-22-08; Effective: 04-01-08; Implemention: 04-07-08)

Collections posted to the debts listed on the Collection/Refund Spreadsheet shall be reported in Section A, Line 4C, Collections Deposited at Other Location, and Section C, Line 4C, Collections Deposited at Another Location, of Forms CMS H/M 751. If the debt is in a Currently Not Collectible (CNC) status, the amounts collected shall be reported in Section A, Line 4A, Re-established as Active A/R, and Section C, Collections on CNC Debt, of the Forms CMS C/MC 751 and in Section A, Line 6B, Transfers In From CNC, and Line 4C, Collections Deposited at Other Location on Forms CMS H/M 751.

The amount of accrued interest that is adjusted in order to equal the amount of interest collected and posted to the debt shall be reported on Line 5A, Adjusted Amounts, Internal Adjustments, of Forms CMS H/M 751 or Line 4E, Other, of Forms CMS C/MC 751, as applicable. Contractors shall separately track interest adjustment amounts reported on the "Adjusted Amounts" line on Forms CMS H/M 751 or reported on the "Other" line on the Forms CMS C/MC 751. The interest adjustment amounts shall be reported in the "Remarks" section of all Forms CMS 751.

For Contractors who have transitioned to the Healthcare Integrated General Ledger Accounting System (HIGLAS), collections reported and posted to the debts on the Collection/Refund Spreadsheet shall be reported on the Treasury Report on Receivables and Debt Collection Activities Report (TROR), Part I, Section A, Line (4)(D), Collections by Treasury through Offset and Cross-Servicing and in Part II, Section C, Line (1)(G), By Treasury/Designated Debt Collection Center Cross-Servicing. If the debt is in a CNC status, the amounts collected shall be

reported in Part I, Section A, on Line(4) (D), Collections by Treasury Through Offset and Cross-Servicing, and Line (5) (E), Written-Off Debts Reinstated for Collections and also in Part II, Section C, Line (1) (G), By Treasury/Designated Debt Collection Center Cross-Servicing.

60.7.6 Debt Paid in Full
(Rev. 59, Issued: 02-22-08; Effective: 04-01-08; Implemention: 04-07-08)

If the principal balance of the debt in DCS after the IPAC collection is posted is zero, the status code of the debt will not be systematically changed to a paid in full status code. There have been instances in the past where a debt has been collected by Treasury and the collection received in one IPAC, and a reversal of the collection occurs in a subsequent IPAC. Contractors shall not initiate any case "close out" activity on the debt based on the IPAC report information. CMS will provide separate instructions on debts returned by Treasury as paid in full or closed.

Note: If Contractors' system does not reflect a zero principal balance after posting the collection, Contractors shall research the discrepancy by querying the DCS collection screen to compare collection/adjustment entries to their internal systems, and update all the applicable systems and internal systems to reflect the appropriate adjustment.

60.7.7 Treasury Approved Extended Repayment Schedule (ERS)
(Rev. 59, Issued: 02-22-08; Effective: 04-01-08; Implemention: 04-07-08)

Treasury and its PCAs have authority to approve extended repayment schedules (ERS) up to 60 months without requesting CMS approval. The ERS requests in excess of 60 months shall be referred to CMS CO for approval.

When Treasury notifies CMS CO of an approved ERS, CMS CO shall update the DCS with the DCS status code of UR. The periodic payments on the approved ERS received by Treasury or its PCAs will be forwarded to CMS CO on an IPAC collections report.   When CMS CO receives the IPAC collections on the approved ERS, CMS CO shall indicate the ERS status on the Collection/Refund Spreadsheet to notify Contractors of such status. Upon receipt of the collection on the approved ERS on the Collection/Refund Spreadsheet from CMS CO, Contractors shall remove the debt from any internal withhold/recoupment status.

Contractors shall apply each collection to principal and interest, based on the breakout as indicated on the Collection/Refund Spreadsheet and follow Collection/Refund Spreadsheet instructions as outlined in section 60.7.4.   Contractors shall continue to accrue interest on the remaining principal balance of the debt.

Debts that are in a Treasury approved ERS and not yet classified to CNC shall be reported as current on the Forms CMS H/M 751. Debts in CNC classification shall remain in CNC and continue to be reported as delinquent on the Forms CMS C/MC 751. For those Contractors who have transitioned to HIGLAS, debts that are in a Treasury approved ERS shall be reported as current unless they are already classified as CNC. Debts in CNC classification shall remain in CNC and continue to be reported as delinquent.

60.7.8 Excess Collections

(Rev. 59, Issued: 02-22-08; Effective: 04-01-08; Implemention: 04-07-08)

There may be instances where amounts collected exceed the amount of the debt that was referred for cross servicing/TOP.   As an example, an excess collection may result from Treasury and its PCAs receiving a collection and Contractors recouping the same debt by internal withhold, or when a portion of the debt originally referred is reduced due to a partial valid documented defense.

Excess collections are identified on the Collection/Refund Spreadsheet by showing a negative principal balance in the DCS Principal Balance column.

60.7.8.1 Applying an Excess Collection
(Rev. 59, Issued: 02-22-08; Effective: 04-01-08; Implemention: 04-07-08)

Contractors shall apply an appropriate portion of the collection to the debt in order to bring the balance to zero. The Collection/Refund Spreadsheet shall be annotated with the portion of the collection that was posted to the debt. Contractors shall then determine if the debtor has any other outstanding debts, including interest, to which the excess collection may be applied.

60.7.8.2 If the Debtor Has Other Outstanding Debt
(Rev. 59, Issued: 02-22-08; Effective: 04-01-08; Implemention: 04-07-08)

If the debtor has other outstanding debt, the excess collection shall then be applied to the oldest active debt first (then next oldest), that has not yet been referred to Treasury. If the only other outstanding debt is currently at Treasury, the excess collection shall then be applied to the oldest debt first. The breakout of principal and interest on the Collection/Refund Spreadsheet does not apply when the excess collection is applied to another outstanding debt. Contractors shall indicate on the Collection/Refund Spreadsheet the action taken and the way the collection was allocated to principal and interest on the other debt, and return the completed spreadsheet to CMS CO.   If the collection is applied to other debt(s), the Contractors shall first update the DCS with the DCS Collection Type Code of AD to zero the negative balance of the debt where the excess collection is identified. If the excess collection is applied to another debt currently at Treasury, Contractor shall use AD to post the excess collection to the other debt(s). The Contractor shall annotate the Comments screen to all affected debts in the DCS with the actions taken regarding the excess collection.

60.7.8.3 If the Debtor Has No Other Outstanding Debt
(Rev. 59, Issued: 02-22-08; Effective: 04-01-08; Implemention: 04-07-08)

If there are no other outstanding debts, the excess portion of the collection, after bringing the debt to a zero balance, shall be refunded. The amount of the refund shall be annotated on the Collection/Refund Spreadsheet. If the refund cannot be processed within the timeframe allotted for returning the Collection/Refund Spreadsheet, Contractor shall annotate the spreadsheet as partially complete, return to CMS CO timely, and an additional 15 days shall be allowed for processing refunds. Once the refunds are processed, the completed Collection/Refund Spreadsheet

shall be forwarded to CMS. A copy of the Collection/Refund spreadsheet, with annotations regarding the refund, shall be kept in the debtor file for audit trail purposes. The contractor shall make appropriate adjustments in DCS, as well as internal systems to reflect the refund activity.

60.7.8.4 Additional Instructions for MSP Excess Collections
(Rev. 59, Issued: 02-22-08; Effective: 04-01-08; Implemention: 04-07-08)

If the debtor is an Employer, and the payment creating the excess collection on a specific Employer debt is made by an Insurer, the Insurer is deemed to be acting as an agent of the Employer. If the amount paid exceeds the sum due on the individual debt for which payment was made, the excess monies have to be applied to the same combination of Employer/Insurer only. If there is no other outstanding debt for that same combination of Employer/Insurer, the Contractor shall issue a refund. (See section 60.7.8.3, which addresses the refund process.)

If an Employer has outstanding debts, and the monies were received from that Employer, the excess collection can be applied to other debts of the same Employer regardless of the Employer/Insurer combination. If there is no other outstanding debt for that Employer, the Contractor shall issue a refund. (See section 60.7.8.3, which addresses the refund process.)

60.7.9 Financial Reporting for Collections Received on Debts from Cross-Servicing
(Rev. 59, Issued: 02-22-08; Effective: 04-01-08; Implemention: 04-07-08)

Contractors shall follow the instructions as outlined in Publication 100-6, Medicare Financial Management Manual, Chapter 5, section 270.   Contractor shall report and post all activities related to these debts according to CMS guidelines and instructions.

60.9.3 Exhibit 3 Collection/Refund Spreadsheet
(Rev. 59, Issued: 02-22-08; Effective: 04-01-08; Implemention: 04-07-08)

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1															
2	*Debt Identifying Information*				*Principal Postings to DCS this Period*				*Interest Postings to DCS this Period*				*Contractor Updates to DCS*		
3	*Debt Type*	*Contractor*	*Debt Number*	*Status*	*Contractor Principal Collected*	*Contractor Principal Adjusted*	*Treasury Principal Collected*	*DCS Principal Balance*	*Contractor Interest Collected*	*Contractor Interest Adjusted*	*Treasury Interest Collected*	*DCS Interest Balance*	*Contractor Principal Adjusted*	*Contractor Interest Adjusted*	*Comments*
4	.														
5	.														
6															
7															
8															
9															
10															
11															
12															
13															
14															
15															
16															
17															
18															
19															
20															
21															
22															
23	*Reconciliation Block*						*Principal*	*Interest*							
24	*Collections posted to internal system & reported on CMS Form 751/TROR*														
25	*Collections posted to internal system & not reported on CMS Form 751/TROR*														
26	*Collections not posted to internal system (provide reason)*														
27	*Total*														
28															
29	.														
30															
31															
32															
33															
34															
35															

Treasury Cross-Servicing Dispute Resolution

DMS Request Date: *Total Number of Pages:* _____
SBU
FedDebt Case ID.:   *Principal Amt:* $
Creditor Agency Debt ID: *PCA Code:*
Debtor:

Program: *For CMS Use Only:*
Creditor Agency Contact Name: *HIC:*
Creditor Agency Contact Phone: *Beneficiary Name:*
Creditor Agency Facsimile:

Dispute Number:
Dispute request reason: Miscellaneous Dispute
Additional comments:

If you have any questions regarding the dispute, please call Valencia Thompson at 205-912-6327.
Creditor Agency must return response to Bosch Stanley via facsimile 205-912-6374 with 60 days of request date.

Creditor Agency (CA) Dispute Resolution Section:
Please indicate a response by checking one of the following reasons: Please attach supporting documentation.

DAIC ___ *CA agrees. Debt amount is incorrect. Requires financial adjustment.*
DACC ___ *CA disagrees. Debt amount is correct. Continue collection efforts.*

MDAA ___ *CA agrees. Miscellaneous dispute, stop collection activity.*
MDFF ___ *CA agrees. Miscellaneous dispute. Requires financial adjustment, continue collection efforts.*
MDDD ___ *CA disagrees. Miscellaneous dispute. Continue collection efforts.*

VDWD ___ *CA agrees. Wrong debtor, stop collection activity.*
VDRD ___ *CA disagrees. This is not the wrong debtor, continue collection efforts.*

VDPP ___ *CA agrees. Previously paid, stop collection activity.*
VDNP ___ *CA disagrees. Not previously paid, continue collection efforts.*

VDPR ___ *CA agrees. Previously resolved, stop collection activity.*
VDNR ___ *CA disagrees. Not previously resolved, continue collection efforts.*

Financial Adjustment Information (To Be Completed By Creditor Agency):
Principal Amount $_____
Interest Amount $_____
Penalty Amount $_____
Admin Cost Amount $_____
Total Balance Owed $_____

Please check one of the following:

□ Adjustment reflects the total balance currently owed by the debtor, and has been made by our Agency.
□ Adjustment has not been made in FedDebt by the Agency, and should be made by DMS.
Creditor Agency Response Date: _____ Creditor Agency Response Contact: _____
Additional Comments By Creditor Agency:
_____
_____
_____