

Newsletter for Health Plan Administrators

December 10, 2003 Issue 9

Topic: Using the Payment Advice Internet Delivery (PAID) System

Background

The Internal Revenue Service Health Coverage Tax Credit (HCTC) program had entered into an agreement with the Treasury Department to make payment remittance information available to health plan administrators (HPAs) via the Internet. The system is called the Payment Advice Internet Delivery (PAID) system. It was developed to provide an additional method for delivering payment remittance information to vendors who are paid electronically through the Automated Clearing House (ACH) system.

The PAID system has been in use by state and local governments and government contractors for over 4 years. In addition, one of the COBRA Third Party Administrators (TPAs) working with the HCTC program has tested and received data through the PAID system.

What Does This Mean for HPAs?

Today the HCTC program provides HPAs with a paper payment advice report to assist in posting HCTC payments to their accounting systems. With PAID, HPAs receiving payments electronically have the flexibility of choosing e-mail or internet access to information similar to the paper payment advice report. When registering for the PAID system, HPAs can choose from multiple delivery methods to receive the payment remittance information:

- 1. Web access to remittance data
- 2. E-mail notification of new remittance data
- 3. E-mail delivery of remittance data*
- * The PAID system currently has limitations as to the record size it can transmit through e-mail. Therefore, if you receive a large volume of HCTC transactions, selecting Option 3 will result in multiple e-mails.









PAID is available at no cost, and there is no obligation to use the system. Payment data is available within 24 hours of the date of payment, and remains accessible for 2 months.

Advantages of the PAID System

- HPAs will have electronic access to payment information
- With the e-mail notification option, HPAs will know when a payment has been posted to their bank account by HCTC within 24 hours after the date of payment
- Payment information is provided in a secure manner (Secure Sockets Layer security on the web, e-mail information is 128 bit encrypted)
- HPAs do not have to wait for the paper payment advice report to arrive (Paper payment advice reports will continue to be sent to all HPAs receiving payment from the HCTC)
- There is a reduced dependency on banks for the payment addenda record, which may save HPAs money if their bank charges them to receive this addenda information



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What Data Does PAID Provide?

The PAID system displays information on the total daily payment activity for the HPA. If the HPA selects one of the options with e-mail notification, they will receive a separate e-mail for each day that PAID receives payment activity from HCTC for the HPA. The database can be queried by date or date range, agency, or dollar amount.

Below is a sample of the information that will be displayed in PAID. Please note in the example that each line of payment information reflects one payment per policy, which is consistent with the HCTC payment process.

PAID Transaction Sample

Vendor: ACME HPA		
Date	Agency	Amount
10/24/2003	Internal Revenue Service (HCTC)	\$433.51
	IV 123456789_XYZ123456	_987654321
10/24/2003	Internal Revenue Service (HCTC)	\$1002.66
	IV 112233445_ABC654321 SSN Policy#	_667788991 / Group#

Legend:

• Vendor: Health Plan Administrator Name

• Date: Date of payment

• Agency: Agency who made the payment

• Amount: Payment Amount

• IV: HCTC Addenda Record (30 characters long)

How Do HPAs Register for PAID?

The PAID system is available to all HPAs who are receiving payments from HCTC electronically. HPAs should already be registered with the Central Contractor Registry (CCR) prior to registering for PAID.

HPAs can register for PAID by completing and submitting the registration form on-line. All they need to do is access the PAID web site at http://fms.treas.gov/paid. The PAID webmaster will verify the registration and notify the HPA that their access has been activated within five business days, and confirm acceptance by e-mail. The HPA can inquire about payments beginning the day after the PAID account is activated.

If the HPA selected one of the options with e-mail notification, they will receive notice of payments received beginning the day after the account is activated. HPAs will have secure access to their information on the system by using a unique login and password.

Questions?

Questions regarding the HCTC program in general can be answered by the HCTC Customer Contact Center at 1-866-628-HCTC (4282). The Customer Contact Center is able to take your questions from 7:00 am to 7:00 pm Central Time.

Beginning 12/15/03 questions regarding the PAID system can be sent via e-mail to HCTCPAID@irs.gov.

A PAID fact sheet developed by the U.S. Department of the Treasury's Financial Management Service (FMS) is contained on the following page of this newsletter with additional information.









AUSTIN FINANCIAL CENTER PAYMENT ADVICE INTERNET DELIVERY (PAID) SYSTEM

http://fms.treas.gov/paid

PAID is a internet based system developed by the U.S. Department of the Treasury's Financial Management Service (FMS) to provide participating Federal agencies a method of making ACH payment remittance information available to their vendors through the internet.

PAYMENT INFORMATION AVAILABLE

Information in PAID appears as it is provided by the Federal agency authorizing the payment.

- Agency Name
- Date of payment
- Payment Amount
- Invoice Number or Purchase Order Number
- Interest Penalty Information
- Banking information such as routing/account numbers not part of the system

AGENCY ENROLLMENT

- PAID is **free of charge** to participating Federal agencies and vendors.
- Complete a Memorandum of Understanding with FMS and provide the information requested.
- PAID is available to all federal agencies
- System only accepts payments that are in a Cash Concentration or Disbursement plus addenda (CCD+) format.

VENDOR REGISTRATION

Vendors should check the list of participating agencies at http://fms.treas.gov/paid/Agencies.asp to determine if any of the agencies paying them are participants. A vendor can only access their own payment data.

Registration consists of completing a simple form and choosing from one of the following delivery methods:

- Web access to remittance data
- E-mail notification of new remittance data
- E-mail delivery of remittance data

Data should be available within 24 hours of the date of payment. It is retained online for two months from the date of payment. An on-line demonstration is available at: http://fms.treas.gov/paid/index.asp

SECURITY/BROWSER ACCESS REQUIREMENTS

The vendor must use an internet browser with 128-bit encryption. PAID is a secure site using the standard Secure Sockets Layer (SSL) to provide a secure channel of communication between a web browser and the server. This authenticates the identity of the server to the browser, and provides privacy by encrypting and decrypting all data sent between them.

Send questions or comments to web.afc@fms.treas.gov or Call (512) 342-7300