
Program Memorandum Carriers

Department of Health &
Human Services (DHHS)
Centers for Medicare &
Medicaid Services (CMS)

Transmittal B-02-023

Date: APRIL 12, 2002

CHANGE REQUEST 2038

SUBJECT: Revision—The Do Not Forward (DNF) Initiative—Using “Return Service Requested” Envelopes for Remittance Advice

Scope:

This Program Memorandum (PM) amends Medicare Carriers Manual (MCM) §4021 to instruct carriers and Durable Medical Equipment Regional Carriers (DMERCs) to use “return service requested” envelopes for remittance advice as part of the DNF initiative. Any new requirements in this PM that conflict with MCM §4021 supersede the MCM requirements.

CMS previously released CR 1933, Transmittal B-02-001, on January 11, 2002. However, after its release, it was determined that it would require systems changes. Therefore, CR 2038 replaces CR 1933. You may disregard CR 1933 at this time.

Background:

MCM §4021 instructs carriers and DMERCs (hereafter called “contractors”) to use “return service requested” envelopes when mailing checks to providers and suppliers (hereafter called “providers”). The use of these envelopes allows the U.S. Postal Service to return Medicare checks to contractors free of charge.

When the post office returns a “return service requested” envelope to the contractor, the contractor applies a DNF flag to the provider’s Medicare number. The contractor will not generate any additional checks for that provider until the provider sends a properly completed change of address form back to the contractor. Upon verifying the new address, the contractor removes the DNF flag and can again generate checks for the provider.

Because some providers get paid through electronic funds transfer (EFT), there may be cases where a provider does not have a correct address on file, but the contractor continues to pay the provider through EFT.

Policy:

Effective October 1, 2002, contractors must use “return service requested” envelopes for hardcopy remittance advices, in addition to using them for hardcopy checks, with respect to providers that have elected to receive hardcopy remittance advices.

Implementation:

- 1) Use “return service requested” envelopes for all hardcopy remittance advices, starting October 1, 2002. Use these envelopes for all providers, not just those that get paid through EFT.
- 2) Do not use “return service requested” envelopes for beneficiary correspondence, such as Explanations of Medicare Benefits (EOMB) or Medicare Summary Notices (MSNs), or for overpayment demand letters.
- 3) When the post office returns a remittance advice due to an incorrect address, follow the same procedures you follow for returned checks; that is:
 - Flag the provider “DNF”;

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- Carrier staff must notify the provider enrollment area, and DMERCs must notify the National Supplier Clearing House (NSC); and
 - Cease generating any further payments or remittance advice to that provider or supplier until they furnish a new address that is verified.
- 4) When the provider returns a new address, remove the DNF flag after the address has been verified, and pay the provider any funds you are still holding due to a DNF flag. You must also reissue any remittance advice you have been holding as well.
 - 5) Previously, CMS only required corrections to the “pay to” address. However, with the implementation of this new initiative, CMS requires corrections to all addresses before the contractor can remove the DNF flag and begin paying the provider or supplier again. Therefore, do not release any payments to DNF providers until the provider enrollment area or the NSC has verified and updated all addresses for that provider’s location.
 - 6) All carrier standard systems must make any changes necessary to support the requirements of this initiative.
 - 7) **HPBSS is exempt from the requirements in this PM.**

Provider Education Requirements:

- 1) Contractors must publish the requirement that providers must notify the Part B carrier or NSC of any changes of address, both on their web sites and in their next regularly scheduled bulletins.
- 2) Contractors must continue to remind suppliers and providers of this requirement in their bulletins at least yearly thereafter.

The *effective date* for this PM is October 1, 2002.

The *implementation date* for this PM is October 1, 2002.

These instructions should be implemented within your current operating budget.

This PM may be discarded after September 30, 2003.

If you have any questions, contact Renée Hildt at (410) 786-1446.