
Program Memorandum

Intermediaries

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

Transmittal A-02-011

Date: FEBRUARY 1, 2002

CHANGE REQUEST 2029

SUBJECT: Receipt of Payment Data from the Healthcare Integrated General Ledger Accounting System (HIGLAS) by the Fiscal Intermediary Standard System (FISS)

Background

The Federal Financial Management Improvement Act (FFMIA) of 1996 requires that Federal agencies implement and maintain financial management systems that comply with Federal management systems requirements. CMS and other Federal agencies are required to follow the Joint Financial Management Improvement Program (JFMIP) guidelines in implementing accounting systems. JFMIP has identified seven financial accounting functions of an integrated government financial management system. These functions are General Ledger Management, Payment Management, Receipt Management, Core Financial System Management, Funds Management, Cost Management, and Reporting Functions.

In order to comply, CMS will install Commercial Off-The-Shelf (COTS) software that contains modules for general ledger, accounts payable, accounts receivable, budget, procurement, grants, etc. This COTS will be the financial software application which supports the Healthcare Integrated General Ledger Accounting System (HIGLAS), for which there are two parts. One part will replace CMS's current administrative accounting system Financial Accounting Control System (FACS). The second part and the subject of this Program Memorandum (PM), programmatic benefit accounting, will replace the benefit accounting processes used by Medicare contractors.

Medicare contractors' existing American National Standards Institute (ANSI) capabilities with the 4010 version of the ANSI X12N 835 Health Care Claim Payment/Advice transactions provides an excellent way to simplify the transmission of data between the HIGLAS System and Medicare contractors. This format will afford CMS an opportunity for data integrity, as all fields in the transaction will have consistent data definitions and standards.

Medicare contractors will be in control of the HIGLAS payment management functions for certifying and scheduling payments. HIGLAS will perform all of the payment warehouse functions currently performed by the standard systems including payment floor management and determining payment due date based on type of claim and the claim receipt date. HIGLAS will also perform the accounts receivable offsets/recoupment. HIGLAS will perform the balance forward or carryover functionality for checks less than a dollar.

Medicare contractors will use HIGLAS functions to control the check number range to be used in the check processing run in the nightly cycle.

HIGLAS will compute interest penalties when applicable. HIGLAS will calculate the interest based on the date of receipt and the elapsed number of days measured by the "HIGLAS Payment Floor." The HIGLAS team will work with each Medicare contractor during their transition to determine the number of mail days required between the release of claims from the floor and their actual mailing, including controls over contractor-specific holidays and planned outages regarding their mail room days. Procedures will be developed for Medicare contractors to follow when there are problems with a cycle, data center, or printer.

Action Requested

Establish Standard Interface Transaction from HIGLAS

HIGLAS will develop an extract of their file(s) that contains payment calculations. The extract will be mapped to a HIGLAS specific rendering of the ANSI X12 835 Payment/Advice. HIGLAS will use the HIPAA (Health Insurance Portability and Accountability Act of 1996) 835 Payment/Advice, version 4010, flat file format as the base starting point for common data dictionary terms to send payment calculations and check amounts to FISS. This base flat file structure format can be found at <http://www.hcfa.gov/medicare/edi/hipaadoc.htm>.

While HIPAA requirements are mentioned in relationship to file transfer between HIGLAS and the standard systems, HIPAA merely provides a foundation for Electronic Data Interchange (EDI) language for HIGLAS. HIPAA requirements do not determine HIGLAS needs.

Logistics Management Institute (LMI) is contracted to CMS to provide support for HIGLAS. LMI documented the FISS cross walk mapping effort for the HIGLAS 835 Payment/Advice. The FISS system maintainer as directed under a separate work order has provided information and answered questions to support LMI in documenting the data elements and data uses for every type of claim processed by the FISS standard system. The resulting detail system level mapping supplements this document. CMS will make the system specific document available to the maintainer under separate cover.

In addition to payment advice, HIGLAS will produce and send payment remittance file to Medicare contractors. The remittance file will be in the format of Check Issue Record (CI-Record copybook) that is used in FISS. The remittances will be printed at each Medicare contractor's print center.

Electronic Funds Transfer (EFT) will be sent by HIGLAS to the appropriate banking institution.

The HIGLAS 835 Payment/Advice will contain amounts payable to beneficiaries and providers per claim, aggregate total payment due to each payee, check numbers, and EFT trace/transmission numbers.

The HIGLAS 835 Payment/Advice and remittance files will be sent only for the Palmetto pilot FI for the July 2002 release. The Palmetto pilot payment advice will be transmitted as a single file batched in Medicare contractor, payee, and claims order hierarchy. The payment and advice files will be created on a daily basis as a part of the Medicare contractor batch processing cycle. The pilot site testing of these interfaces with HIGLAS will be completed by September 3, 2002. Subsequently the file will be produced on an as needed basis for each Medicare contractor during their transition to HIGLAS. There will be a phased implementation of HIGLAS over an extended period of time. Therefore, the standard system must be capable of operating in a dual mode. The standard system must operate as it currently does for Medicare contractors that are not interfacing with HIGLAS but will be transitioning to HIGLAS in the future while interfacing with HIGLAS for the transitioned Medicare contractors.

Error processing will be done at the file (i.e., batch level). If the Medicare contractor deems the transmitted file corrupt, it will be rejected and retransmission will be required.

Extract File Control

Receipt of the files will be controlled by the Medicare contractor and data center interfacing with HIGLAS. The FISS maintainer should only provide the capability to receive the files for contractors interfacing to HIGLAS. In providing this capability, the FISS maintainer does not need to maintain identification of which contractors are using this interface.

In this release no FISS functions should be disabled or changed in production.

Among the financial functions that will be performed in HIGLAS are:

- CFO Reporting
- Payment Floor Management
- Payment Ceiling

- Manual Issuance of Checks
- 1099s
- POR Reporting
- Creation of Print Check Files
- Cancel Check Functions for Void Checks, Stop Payment, Stale Date Checks, Undeliverable Checks.
- Accounts Payable Functions for Transition Outpatient Payments (TOPS), Cost Report Control Log, Refunds, Advances/Accelerated Payments, Withholdings for Penalty Release and Third Party, Periodic Interim Payments (PIP), Passthrough Payments, Offsets, Suppression of Checks less than a Dollar, Returned Checks, Do Not Forward Checks, Bad Checks.
- Settlement Accounts Payable Functions for Provider Reimbursement Review Board (PRRB) and Litigation.
- Accounts Receivable Functions for Claims, Home Health Claims, Advances, Accelerated Payments, Settlement Withholdings, Penalty Withholdings, Delete Cash Receipts.
- Settlement Accounts Receivable Functions for As Files Cost Report Overpayment, PRRB and Litigation, Tentative, Final, and Retro Cost Report Settlements, Interest Calculation.
- Settlement Adjustments Account Receivable Functions due to Bankruptcy, Transfers, Write-Offs, Waivers, Currently Not Collectable, Closed Accounts, Applied Receipts, Returned Checks.
- Bank Reconciliation.

Among the financial functions that will remain in FISS are:

- Electronic Remittance Advice,
- Medicare Summary Notice, and
- Standard Paper Remittance.

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

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

These instructions should be implemented within your current operating budget.

This PM may be discarded after July 1, 2003

If you have any questions, contact Maureen Hoppa at (410) 786-6958