
Program Memorandum Carriers

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

Transmittal B-02-011

Date: FEBRUARY 13, 2002

CHANGE REQUEST 1631

SUBJECT: Revision and Clarification of Requirements for Quarterly Do Not Forward (DNF) Reports

Scope:

This Program Memorandum (PM) establishes new reporting requirements for the DNF initiative. It does not supersede any other requirements specified in the Medicare Carrier's Manual (MCM), §4021.

Background:

CR 681: The DNF Initiative

In PM AB-00-06, which we manualized in the MCM §4021, CMS required local carriers and Durable Medical Equipment Regional Carriers (DMERCs)—hereafter called “contractors”—to begin reporting on the DNF initiative. This initiative requires the use of “Return Service Requested” envelopes to prevent the U.S. Postal Service from forwarding Medicare checks. The post office returns checks in these envelopes to contractors free of charge. The National Supplier Clearinghouse transmits a daily file of suppliers that have been flagged DNF to the DMERCs, while the provider enrollment area of the local carriers is responsible for the DNF flags.

The MCM §4021 gives contractors instructions on the handling of checks returned by the postal service. Contractors must continue to follow the instructions for the returned check and change of address processes as instructed in MCM §4021. This PM is not revising the DNF processes and procedures, but, rather, addresses the reporting mechanism only.

Policy:

The DNF Reporting Spreadsheet

Attached is a spreadsheet contractors must use for their DNF reports.

Implementation:

1) Field Definitions:

To be certain that all parties understand what information CMS needs to get from these reports, we are providing the following definitions for each field. CMS has also attached a sample spreadsheet for reference. Note that these new fields apply to the reporting quarter only. Do not include any rolling or annual totals.

Field # Definition

Suppliers/Providers Flagged/Corrected Counts

- 1 **New Flags:** the number of all suppliers or providers the contractor flagged for DNF during the reporting quarter (regardless of whether or not they still have a flag, and regardless of whether the contractor flagged them due to a returned check or returned remittance advice), that were not flagged at the end of the previous reporting quarter.
- 2 **Removed Flags:** the number of all suppliers or providers who supplied a verified, correct address, causing the contractor to remove the DNF flag, during the reporting quarter.
- 3 **Total Flags:** the total number of all suppliers or providers who still have a DNF flag on the last day of the reporting quarter, regardless of whether the contractor flagged them due to a returned check or returned remittance advice), including those the contractor flagged in a previous quarter who did not supply a verified, corrected address.

Check Counts

- 4 **Returned Checks:** the total number of checks the post office returned to the contractor due to an incorrect address during the reporting quarter, regardless of whether or not the supplier provided a corrected address and may have been reissued the check during the quarter.
- 5 **Held Checks:** the total number of all checks that contractors did not issue due to DNF flags in the system during the reporting quarter, regardless of whether or not the supplier provided a corrected address and was later paid.
- 6 **Reissued and Released Checks:** the total number of all checks (both those the post office returned, and those the contractor had been holding due to a DNF flag in the system) the contractors reissued or released during the reporting quarter, to suppliers or providers who submitted a verified, correct address.

Dollar Counts

- 7 **Amount Returned:** the total dollar amount of all checks the post office returned due to an incorrect address during the reporting quarter, that you are still holding at the end of the reporting quarter.
- 8 **Amount Held:** the total dollar amount of all checks the contractors did not issue due to DNF flags in the system during the reporting quarter, that you are still holding at the end of the reporting quarter.
- 9 **Amount Reissued/Released:** the total dollar amount of all payments (both those the post office returned, and those the contractor had been holding due to a DNF flag in the system) the contractors reissued during the reporting quarter, to suppliers or providers who submitted a verified, correct address.
- 10 **Net Amount:** the value in field 7 plus the value in field 8, minus the value in field 9— it is possible that this number will be a negative figure.

NOTE A:

If a contractor flags a provider or supplier for DNF more than one time within a quarter, only count that supplier or provider once for fields 1, 2, and 3.

NOTE B:

Multi-Carrier Systems contractors may use a claim count for items 4-6, 8, and 9, rather than a check count.

2) Systems Requirements

The Part B Carrier and DMERC standard systems generate the DNF reports. Part B and DMERC standard systems, and contractors (if applicable) must modify their systems in order to generate figures for each field in accordance with the above descriptions. Furthermore, standard systems must be certain that when the system calculates the totals, it includes the first returned check that prompted the DNF flag.

In order to maintain data integrity, standard systems must assume a value of “0” for any checks the contractors held, or that the postal service returned to them due to the DNF initiative, before the quarter beginning July 1, 2002. Contractors must not count any checks or dollars that they held or that the postal service returned to them before July 1, 2002 when they use the reporting mechanism in this PM.

The standard systems should program the reports so that the contractors may request monthly detail reports to verify the quarterly totals. However, only send the quarterly reports to CMS central office (CO) and regional office (RO), not the monthly reports.

3) Quarterly Reporting Requirements

Contractors must forward the DNF reports to their appropriate RO and CO contacts, by the fifteenth day of each month that follows the end of a quarter (i.e., January 15, April 15, July 15, and October 15). The initial report will capture data from the quarter beginning July 1, 2002, and ending September 30, 2002. The initial report, therefore, is due to the appropriate CO and RO contacts by October 15, 2002. DMERCs must e-mail their reports to rhildt@cms.hhs.gov, and carriers e-mail their reports to mpage1@cms.hhs.gov.

4) Other Requirements

Contractors must continue to follow all other aspects of the DNF reporting initiative (e.g., use of “Return Service Requested envelopes, assignment of a DNF flag to appropriate providers/suppliers) as instructed in the MCM §4021.

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 June 30, 2003.

Contractors must contact their appropriate RO contacts with any questions regarding this initiative. Regional office staff may direct questions regarding local carrier instructions to Melvia Page at (410) 786-4727, and questions regarding DMERC instructions to Renée Hildt at (410) 786-1446.

Attachments

