
Program Memorandum Carriers

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

Transmittal B-02-019

Date: MARCH 27, 2002

This Program Memorandum re-issues Program Memorandum B-01-31, Change Request 1683 dated April 26, 2001. The only change is the discard date; all other material remains the same.

CHANGE REQUEST 1683

This Program Memorandum (PM) supercedes CR 1260. For debts eligible for cross servicing, the instructions contained herein supercede instructions in the Medicare Carriers Manual, Part III, Chapter 7, Subsection 7142.5 regarding Referral of Uncollected Physician Overpayments to CMS.

SUBJECT: Accelerated Referral of Non-MSP Active Delinquent Debts to the Debt Collection Center (DCC) for Cross Servicing and Treasury Offset Program (TOP)

The instructions contained in this PM do not require nor does CMS request Medicare carriers to make changes to their standard systems.

Background

The Debt Collection Improvement Act of 1996 (DCIA) requires Federal agencies to refer eligible delinquent debt to a Treasury designated Debt Collection Center (DCC) for cross servicing and offset through the Treasury Offset Program (TOP). CMS is mandated to refer all eligible debt, over 180 days delinquent, for cross servicing/TOP. CMS has the option of referring such debt before it is 180 days delinquent, but is required to refer all eligible debt that is more than 180 days delinquent.

Per DCIA referral criteria, delinquent is defined as a debt (1) that has not been paid (in full) by the date specified in the agency's initial written notification (i.e., the agency's first demand letter), unless other payment arrangements have been made, or (2) that at any time thereafter the debtor defaults on a repayment agreement. Debt ineligible for referral include those: (1) in bankruptcy status, (2) in an appeal status (pending at any level), (3) under fraud and abuse investigation, (4) at the Department of Justice, or (5) where the debtor is deceased.

Since 1998, CMS referred over \$2.0 billion in delinquent debt for cross servicing/TOP. However, not all delinquent debt that is eligible for cross servicing has been referred.

CMS is committed to send an additional \$2.0 billion of eligible delinquent debt to the DCC for cross servicing by the end of fiscal year (FY) 2001, and 100 percent by the end of FY 2002. To meet this goal, CMS will need the cooperation and assistance of Medicare carriers and regional offices (ROs).

NOTE: This PM is the first in a series of instructions for debt referral. It does not address:

- o Beneficiary debt (where the debtor is the beneficiary),

- o Debt less than \$600, “Debt less than \$600” is further defined as debt with the principal balance less than \$600. Physician/supplier overpayments with an original principal balance less than \$600 are not listed individually in the Physician/Supplier Overpayment Reporting (PSOR) system. For that reason, CMS will not address PSOR debts with an original principal balance less than \$600 in this PM. Debts with an original principal balance greater than \$600 that are individually listed in the PSOR and have a current principal balance less than \$600 but greater than \$25 are eligible for referral.

- o Debts that are not presently captured in the PSOR system. CMS needs to better understand the character of these debts prior to making a decision regarding referral. These debts will be addressed in future instructions.

- o Debts approved and reported as Currently Not Collectible (CNC). These debts will be addressed in future instructions.

Debt Selection

This PM requires implementation on both an ongoing and “catch up” basis. To comply with DCIA, you will include the DCIA required language in the “intent to refer” letter which will be sent for all eligible debt when the debt is 90 days delinquent. This letter will be considered the “final demand letter” and is defined as the last letter Medicare carriers send to debtors to request payment.

To allow carriers to “catch up” on referral of delinquent debts that are over 90 days delinquent, and the “intent to refer” letter was not sent, an additional letter will be sent that will be the “intent to refer” letter. You will develop reports from either their internal systems or the PSOR system to select debts that will need the additional letter. Instructions for producing these reports from the PSOR system, using the Ad hoc Report Management System, ARMS, will be forwarded under separate cover.

You will, on an ongoing basis and until the “catch up” process is completed, produce reports of delinquent debt eligible for referral.

Debt Collection Improvement Act of 1996 Language – “Intent to Refer” Letter

Medicare carriers routinely send only an initial demand letter and one follow up letter. The follow up letter is sent within 45 days, if there is no response within 30 days to the initial demand letter. As part of the ongoing process for debt referral, and in order to allow you the opportunity to initiate recoupment on the debt, the “intent to refer” letter will be an additional letter, and will be sent when the debt is 90 days delinquent (120 days from determination date). The “intent to refer” letter should be the final letter sent by the Medicare carrier prior to referring the debt for cross servicing.” Wording for the “intent to refer” letter is included as Attachment 1.

When appropriate, the “intent to refer” letter must include the amount of interest due, along with the date of the last interest accrual. You may add additional wording to this letter that will provide additional instructions or clarification regarding the recoupment of the overpayment.

The “intent to refer” letter should be signed by the Medicare carrier official who routinely signs the demand letters to the debtors.

Carriers who cannot systematically generate the DCIA letter may use PC-based software (i.e. Microsoft Word, Word Perfect) to prepare the intent letter and comply with the provisions contained in this PM.

The “intent to refer” letter will not be sent for the debts excluded from this PM. Demand letters sent for these debts should not include the “intent to refer” language.

Response to DCIA letter:

You will answer any inquiries received as a result of the DCIA “intent to refer” letter.

If there is no response to the “intent to refer” letter within 60 days, you will input the debt information into the Debt Collection System (DCS). Debts for which less than full payment was received by the carrier, or there is a current repayment agreement that is in default are eligible for referral to the DCC. Where there has been a **partial** recoupment or collection, but no request from the debtor for a repayment agreement was received, the balance (if principal balance is greater than \$25) must still be referred to the DCC. Before inputting a debt to DCS for cross servicing, you should first determine if the debt should be referred to the RO for litigation rather than referred to Treasury for cross servicing. If it is determined that the debt should be litigated, and not referred to Treasury for cross servicing, you should contact the RO for further action.

PSOR Updates

When the intent to refer letter is sent, Medicare carriers will change the status code on the PSOR to “Q,” (Pending Referral for Cross Servicing/TOP). The location code on the PSOR will remain “CAR.” It is imperative that the status codes in the PSOR be updated, because central office (CO) will use these codes to monitor the progress of attaining the projected debt referral goals, and ensure consistent carrier compliance.

If, after sending the “intent to refer” letter, the debtor contacts you and an extended repayment agreement is being negotiated or is approved, the status code in the PSOR will change to reflect the new status of the debt.

Debt Collection System (DCS)

After 60 days, if there is no response to the “intent to refer” letter, Medicare carriers will input the debt information into the DCS database. This input will “certify” the debt as valid, legally enforceable, and ready for referral. The DCS system is used by CMS CO to transmit and to track debts at the DCC.

The DCS database is accessed through the CMS data center and is limited to authorized users. Instructions for DCS access and data entry are forwarded under separate cover.

These instructions:

- Provide step-by-step guidance on entering a debt into the system;
- Define each field in the system; and
- Provide explanations of the screen used for updating the debt amount and status.

To enable immediate access upon receipt of the instructions for DCS, carriers are requested to e-mail Debbie Parzynski, CMS CO (dparzynski@cms.hhs.gov), with the names and user IDs of the staff who will be performing the data entry. The user ID is the same one used for access to the PSOR. Please send this information immediately so that users at your location will have access to DCS.

Carriers will be given access to the DCS and will input certified debts directly to the database. When inputting the debt into the DCS system the status code used will be “UU” except for debts where the “intent to refer” letter was undeliverable. In this case, a status code of “UN” will be input. (“UU”= initial entry of the debt for referral; “UN” = undeliverable letter).

Actions Subsequent To DCS Input

Once the debt is referred to the DCC, active collection efforts by the carrier, the RO, and/or CMS must cease. However, debts at the DCC location on the DCS system must still be maintained in the carriers internal systems and interest must continue to accrue on these debts.

You will input/enter the debts into the DCS database using "UU" or "UN." Once CMS CO changes the status code to "UJ", the debt has been referred to the DCC for further collection efforts. (Status code "UJ" means that responsibility for pursuing the debt is at the DCC.)

Each week, CMS will generate a report of the debts transmitted to DCC that week and send the report to you. You will review the report to ensure that debts transmitted remain valid and amounts are accurate (interest amount listed on the report are the amounts that were entered in the DCS and will not be updated for any interest accruals since input. Changes for additional interest accruals are not required.) You will verify the report, and any changes will be annotated. The report will be signed by the Chief Financial Officer (CFO), or his/her designee, and returned to CO within 10 calendar days of the date of the report. Specific changes to a debt will be reported on the Recall/Adjustment Form (Attachment 2) or Collection Reconciliation/Acknowledgement Form (Attachment 3), as appropriate. **Once the debt is referred to DCC, only CMS CO will update the PSOR and DCS.**

The general rule once a debt has been referred to the DCC is as follows:

- If you discover an error, collect the debt (by check or recoupment), receive information establishing that the debt is ineligible for cross servicing (i.e. bankruptcy, appeal), the carrier is responsible for updating its internal records and preparing the appropriate Recall/Adjustment Form or Collection Reconciliation/Acknowledgement Form. Copies of these forms and instructions for their use are included as Attachments 2 and 3. The Recall/Adjustment Form will be used to recall the debt from the DCC or adjust the amount remaining at the DCC, as appropriate. The Collection Reconciliation/Acknowledgement Form will be used to recall the debt from the DCC or adjust the amount remaining at DCC for collections. Carriers must complete these forms, as appropriate, and fax to CO, so that CO can update the PSOR and DCS, as appropriate, and notify DCC. CO will sign off on the Recall/Adjustment Form and/or Collection Reconciliation/Acknowledgement Form and return a copy to the appropriate Carrier for financial statement documentation.

- If the DCC discovers an error, collects, or receives information which would render the debt ineligible for cross servicing, DCC will notify CO. CO will update the DCS and PSOR with the appropriate adjustment/collection information and notify the carrier using the Recall/Adjustment Form or the Collection Reconciliation/Acknowledgement Form. You will update or close their internal systems accordingly, and the form will be signed by the CFO or his/her designee, and returned, by fax, to CO within 10 calendar days.

Financial Reporting

Effective with this PM, you will continue to report the debt at your location for financial reporting purposes. Debts referred to the DCC after April 1, 2001, will no longer be transferred on the PSOR to DCC location and reported by CO for financial statements. These debts will remain at the carrier location for financial reporting. These debts will not be transferred out on the CMS Form 751 (Status of Accounts Receivable). CO will change the status code on the PSOR to "X" (Transferred to DCC for Cross Servicing), but the location of the debt will remain "CAR."

Debts that were previously referred for cross servicing and reported by CO will continue to be reported by CO. You must track all debts that are at DCC and be able to distinguish between debts at DCC being reported by CO from debts at DCC being reported at the carrier location. You must also be able to track all debts at their location and be able to distinguish between those debts at DCC location from those debts not at DCC location.

You will continue to accrue interest on a debt after the debt is entered into the DCS. Although the DCS will not reflect this additional interest, the DCC does continue to accrue interest on these debts for collection purposes. The additional accrued interest will be reflected in the DCS on the collection screen to the extent that such interest has been collected.

When the DCC receives collection, CMS is notified and receives the collection via an OPAC (Online Payment and Collection) system. CO will update the DCS and PSOR systems with the appropriate collection information and furnish the collection information to the appropriate Medicare carrier on the Collection Reconciliation/Acknowledgement Form. You will use these forms to update your internal systems. The forms will be signed by the Medicare carrier CFO or his/her designee, and returned to CMS within 10 calendar days.

If the debt is being reported by CO, you will update your internal systems. CO will record the collection information on the appropriate CMS Form R751. This collection would not be a CMS Form 751 reporting item for carriers. If the debt is being reported at the Carrier location, Carriers must update their internal systems and make appropriate CMS Form 751 entries. You must apply the collection to the outstanding receivable and make the appropriate entry on the carriers CMS Form 751.

Funding

Supplemental budget requests (SBRs) will be considered, as appropriate. SBRs must explain exactly what effort will be required and why it justifies additional funding. For example, carriers may be able to justify temporary hires to assist with some of the clerical aspects of debt validation, mailings, etc., while working the backlog of existing delinquent debt. SBRs must also differentiate between requests for non-systems funding and funding for non-standard systems changes. (Although implementation may not be delayed pending any systems changes, CMS will consider systems changes to facilitate this process in the future.)

The Financial Workgroup for each shared system may request any systems modifications, which will assist in the automation of the requirements of this PM. While the programming for each shared system may be different, the Financial Workgroups must ensure that the information from these systems is uniform, accurate and complies with CMS's reporting requirements.

Carriers should request funding for Non-MSP Debt Referral using CAFM111 Activity Code 17150.”

The effective date for this PM is April 26, 2001.

The implementation date for this PM is April 26, 2001.

These instructions should be implemented within your current operating budget.

This PM may be discarded after April 1, 2003.

If you have questions, contact Debbie Parzynski (410) 786-5435, dparzynski@cms.hhs.gov.

3 Attachments

DEBT COLLECTION IMPROVEMENT ACT OF 1996 (DCIA) REQUIRED LANGUAGE

Background

The Debt Collection Improvement Act of 1996 (DCIA) requires Federal agencies to transfer/refer debt that is 180 days delinquent to a Department of Treasury Debt Collection Center for cross servicing.

Prior to debt transfer, the DCIA requires agencies to inform the debtor of the agency's intent to refer the debt, and to provide debtor information regarding the referral process.

Attached are specific paragraphs that explain the process and debtor rights. These paragraphs must be included in the final demand letter sent to the debtor.

CMS suggests carriers use their own language in the opening paragraphs to explain the reason for the overpayment and the current balance, including interest accrued and the interest rate.

DEBT COLLECTION IMPROVEMENT ACT OF 1996 (DCIA) REQUIRED LANGUAGE

Subject in Bold: Notice of Intent to Refer Debt to the Department of Treasury's Debt Collection Center for Cross Servicing and Offset of Federal Payments

Carrier opening paragraphs concerning the reason for the overpayment, date of determination and amount due. May refer to previous demand letters or other forms of contact regarding the debt.

Your debt to the Medicare Program is delinquent and, by this letter, we are providing notice that your debt will be referred to the Department of Treasury's Debt Collection Center (DCC) for Cross Servicing and Offset of Federal Payments. Your debt will be referred under provisions of Federal law, title 31 of the United States Code, Section 3720A and the authority of the Debt Collection Improvement Act of 1996.

The Debt Collection Improvement Act of 1996 (DCIA) requires Federal agencies to refer delinquent debts to the Department of Treasury and/or a designated Debt Collection Center (DCC) for collection through cross servicing and/or the Treasury Offset Program. Under the offset program, delinquent Federal debts are collected through offset of other Federal agency payments you may be entitled to, including the offset of your income tax return through the Internal Revenue Service (IRS).

The Debt Collection Center will use various tools to collect the debt, including offset, demand letters, phone calls, referral to a private collection agency and referral to the Department of Justice for litigation. Other collection tools available, which may be used, include Federal salary offset and administrative wage garnishment. If the debt is discharged, it may be reported to the IRS as potential taxable income.

During the collection process, interest will continue to accrue on the debt and you will remain legally responsible for any amount not satisfied through the collection efforts.

For Individual Debtors Filing a Joint Federal Income Tax Return

The Treasury Offset Program automatically refers debts to the IRS for offset. Your Federal income tax refund is subject to offset under this program. If you file a joint income tax return, you should contact the IRS before filing your tax return to determine the steps to be taken to protect the share of the refund which may be payable to the non-debtor spouse.

Federal Salary Offset

If the facility ownership is either a sole proprietorship or partnership, your individual salary(s) may be offset if you are or become a federal employee.

Medicaid Offset

As authorized at 42 CFR 447.30, (Subsection 1885 of the Social Security Act), CMS may instruct the State Medicaid Agency to offset the Federal share of any Medicaid payment due you, your agency and/or related facilities. At that time, the offset will remain in effect until the Medicare overpayment is paid in full.

Please read the following instructions carefully to determine what action you may take to avoid referral for cross servicing/offset.

Due Process

You have the right to request an opportunity to inspect and copy records relating to the debt. This request must be submitted in writing to the address listed below. You have a right to present evidence that all or part of your debt is not past due or legally enforceable. In order to exercise this right, this office must receive a copy of the evidence to support your position, along with a copy of this letter. You must submit any evidence that the debt is not owed or legally enforceable within 60 days of the date of this letter. Failure to present such evidence will result in the automatic referral of the debt to the Department of Treasury's designated Debt Collection Center for cross servicing/offset.

Repayment

Your debt will not be referred to the Department of Treasury if you make payment in full. The past due amount of \$_____ owed to the Medicare Program as of _____ includes interest accrued through _____. ***(Note: Carriers may alter this sentence to read: The past due amount owed to the Medicare Program as of the date of this letter includes current accrued interest. This sentence may be omitted for debts that do not accrue interest, i.e. Unfiled Cost Reports.)*** Interest is accrued monthly and is added to the balance of the debt.

Your check or money order for the amount due should be made payable to:

Medicare
Carrier Address
000 Street
Anywhere USA 00000-0000.

Include a copy of this letter with your payment.

If you cannot make payment in full, you may be allowed to enter into an extended repayment agreement. If you are interested in an extended repayment agreement, please contact this office.

Bankruptcy

If you have filed for bankruptcy and an automatic stay is in effect, you are not subject to offset while the automatic stay is in effect. Documentation supporting your bankruptcy status, along with a copy of this notice, must be forwarded to this office at the above address.

If you have any questions concerning this debt, please contact _____ at _____.

Sincerely,

Signature of Certifying Official
Official Position

Recall/Adjustment Form:
(Circle Appropriate Action)

Collection/Adjustment Initiated by: Contractor _____ RO _____ CMS CO _____

Section 1. Debt Information

Location of A/R: _____ (Contractor, RO or CMS CO where debt is reported for financial statements)

Part A

RO _____ Contr # _____
 Debt # _____
 Transmit Date: _____
 DCS _____ Principal _____ Amt. _____
 Referred: _____
 DCS Interest Amt. Referred: _____
 CNC? ___ Yes ___ No
 Cost Report Date: _____
 Overpayment Determination Date: _____
 Overpayment Type: _____

Part B

RO _____ Contr # _____
 Debt # _____
 Transmit Date: _____
 DCS _____ Principal _____ Amt. _____
 Referred: _____
 DCS Interest Amt. Referred: _____
 CNC? ___ Yes ___ No
 Claim # _____ Claim Pd _____
 Date: _____ O/P _____ Determination
 Date: _____

Section 2. Reason for Recall/Adjustment:

A. _____ New Status
 Bankruptcy _____ Appeal _____ Litigation _____
 Other (explain) _____
 Amount to Recall: Principal \$ _____ Interest \$ _____
 New Status of A/R Reported in Quarter Ending: _____
 Comments: _____

B. _____ Other Adjustment
 Type of Adjustment: _____ Principal Bal. After Adjustment \$ _____
 Interest Balance after Adjustment \$ _____
 Adjustment to A/R Reported in Quarter Ending: _____
 Comments: _____

Section 3. CMS CO Actions:

POR/PSOR Updated to: _____
Principal \$ _____ Interest \$ _____
DCS Updated to: _____ **Principal \$ _____ Interest \$ _____**
DCC Notified (Date): _____ by _____ Recall / Adjust
Comments: _____

Section 4. Notification/Acknowledgement/Acceptance

Collection/Adjustment Initiated by: _____	Collection/Adjustment Accepted by: _____
_____	_____
Title/Location/Date _____	Title/Location/Date _____
Fax # _____	Fax # _____
Phone # _____	Phone # _____

Instructions for Completing Recall/Adjustment Form:

This form must be completed whenever there is a change to a debt that has been input in DCS. Changes include data entry items, such as address of debtor, etc., adjustments to balance due to errors, etc., and changes in status code. (Collections will be reported on the Collection Reconciliation/Acknowledgement Form, Attachment 3.)

Either CO, RO, or Medicare contractors initiate the form.

Section 1. **Debt Information**, must be filled out for all debts.

Section 2. **Reason for Recall/Adjustment**,

A. New Status is completed whenever a status change to a debt occurs.

B. Other Adjustment is completed for all other debt adjustments/recalls.

Section 3., **CMS CO Actions** will be completed by CMS CO.

Section 4., **Notification/Acknowledgement/Acceptance**, is completed by the initiating location and the accepting location.

To complete the form: Circle either **“Recall”** or **“Adjustment”** on the form title.

Indicate the location of the initiator of the form. Either RO or CO or Contractor.

In **Section 1. Debt Information**, enter the Location of A/R: (where the debt is reported for 751 purposes)

Section 1 is divided into Part A and Part B. Complete the appropriate information.

RO – Indicate the RO number for the Contractor servicing the debt

Contr # - Indicate the Contractor number

Debt # - Enter the POR or PSOR number

Transmit Date: Enter the date the debt was transmitted to DCC.

DCS Principal Amt. Referred – Enter this amount from the DCS Data Entry Screen

DCS Interest Amt. Referred – Enter this amount from the DCS Data Entry Screen

CNC: Indicate if this debt was approved and reported as CNC

Enter specific information for either: **POR** overpayments: **Cost Report Date, Overpayment Determination Date** and, or **PSOR** overpayments: **Claim Number, Claim Paid Date, O/P Determination Date.**

Section 2, Reason for Recall/Adjustment, will be completed to document the reason for the Recall or Adjustment.

Subsection A, New Status, is for recalling debts due to a change in status. The debt is no longer eligible for cross servicing. Check the appropriate reason for the recall and enter the amount of principal and interest to be recalled. Enter the new status of the A/R and the quarter ending date that the new status will be identified for financial statement purposes.

Subsection B, Other Adjustment, is for reporting all other adjustments to the debt that will require either recall from DCC or notification to DCC of new amount/information. If the adjustment/recall changes the debt amount, indicate the amount to be recalled/adjusted.

Section 3. CO Actions, will be completed by CO to show that the appropriate CMS systems have been updated to reflect the change. If the Contractor or RO initiates this form, Section 3. Will be left blank and sent to CO. CO will complete Section 3, sign the form and return to the originating office. If the form is originated by CO, Section 3 will be completed prior to sending the form to the contractor or RO.

Section 4, Notification/Acknowledgement/Acceptance. The form must be signed by both the initiating office and the accepting office. The contractor CFO or designee must sign the form.

Collection Reconciliation / Acknowledgement Form

- (1) Location of A/R: _____
- (2) Location of Collection: _____
- (3) Region _____ Contractor # _____
- (4) Non MSP Accounts Receivable Information:
 Provider/Physician/Supplier Number _____
 Provider/Physician/Supplier Name _____
 Tax Identification Number _____
 Overpayment Determination Date: _____
 Claim Number: _____ Claim Paid Date: _____
 Overpayment Type: _____ Cost Report Year: _____
- MSP Accounts Receivable Information:
 Debtor Name: _____
 HIC # / Report ID _____
 Determination Date: _____
 Beneficiary Name: _____
- (5) Was debt in CNC status prior to this collection? _____ (Yes/No)
- (6) Date of Collection (Postmark or OPAC Date) _____
- (7) Type of Collection _____ (check/cash/offset)
 Check # or OPAC Number _____
 Amount of Collection \$ _____
 Amount Applied to Principal \$ _____
 Amount Applied to Interest \$ _____
 Principal Balance After This Collection: \$ _____
 Interest Balance After This Collection: \$ _____
- (8) Collection Reported and A/R Adjusted in Quarter Ending: _____
- (9) Debt to Be Recalled from DCC? _____ Yes/No If Yes, DCC Notified: _____
 Note: If Non-MSP, CMS CO will notify DCC
- (10) Is collection part of an approved Extended Repayment Agreement? _____ Yes/No
- (11) POR/PSOR Updated by : _____
 Note: If non-MSP Debt at DCC – CMS CO will update POR/PSOR
- (12) If debt at DCC: DCS Updated by _____ Userid: _____
 Note: If non-MSP Debt at DCC – CMS CO will update DCS

 Signature of Official at Location Where
 Collection Information Initiated
 Location: _____
 Date: _____
 Phone: _____
 Fax: _____

 Signature of Official at Location
 Where Collection Information Accepted
 Location: _____
 Date: _____
 Phone: _____
 Fax: _____

Non-MSP Instructions for Completing Collection Reconciliation/Acknowledgement Form:

For CO Collections from DCC: This form will be completed whenever a collection is received on a debt being reported at another location or is being cross-serviced by DCC.

CO will use this form to notify contractors and regional offices when a collection is received by the DCC for non-MSP debts. If CMS was reporting this debt on its Form CMS 751, CO will record the collection and adjust the appropriate account receivable. CO will notify the contractor so that the contractor's internal records can be adjusted for the collection.

If CO receives a collection on a debt at DCC and the debt is being reported on the contractor Form CMS 751, CO will notify the contractor so that the contractor's internal records can be adjusted for the collection. The contractor will report the adjustment to the A/R on the contractor's appropriate Form CMS 751. In this instance, CO will record the collection on its Form CMS 751, but will not adjust the A/R.

For Contractor Collections for Debts at DCC: If contractor receives a collection on a debt at DCC, contractor will initiate this form to notify CO of the collection. If the A/R is being reported at the contractor location Form CMS 751, the contractor will record the collection and A/R adjustment on the contractor's Form CMS 751 and complete the form to notify CO. CO will notify DCC of the collection. If collection results in the overpayment being paid in full or is the result of an extended repayment agreement being collected at the contractor location, CO will recall the debt from DCC.

If contractor receives a collection on a debt at DCC and the A/R is being reported on the Form CMS 751 or the RO Form 751, the contractor will use this form to notify the CO of the collection. CO will update the appropriate Form CMS 751 to adjust the A/R. Contractor will report the collection on the appropriate line of Contractor's Form CMS 751 to identify receipt of the collection.

If contractor receives a collection on a debt at DCC and the A/R is being reported on the RO Form 751, contractor will use the form to notify **both** CO and RO. Contractor will report the collection on the appropriate line of the contractor's Form CMS 751 to identify receipt of the collection, but contractor will **not** adjust the A/R for the collection.

For RO collections: ROs will use this form to notify contractors and CO, as appropriate, for all collections received at their location.