
PROGRAM MEMORANDUM INTERMEDIARIES/CARRIERS

Department of Health
and Human Services

Health Care Financing
Administration

Transmittal No. AB-00-06

Date FEBRUARY 2000

CHANGE REQUEST 681

SUBJECT: “Do Not Forward (DNF)” Initiative

This Program Memorandum (PM) revises the reporting requirements for the Do Not Forward Initiative for DMERCs effective July 1, 2000. (See Quarterly Reporting described below.) In addition, it establishes a requirement for carriers effective July 1, 2000 and for fiscal intermediaries (FIs) effective January 1, 2001 to implement DNF. This initiative entails the use of “Return Service Requested” envelopes to preclude the forwarding of Medicare checks to locations other than those recorded on the Medicare provider files. The use of these envelopes permit the U.S. Postal Service to return Medicare checks to you free of charge as it has been done for DMERCs since February 1997.

Returned Check Process for FIs and Carriers

You are required to use “Return Service Requested” envelopes for all checks mailed to providers. You must be in compliance with postal regulations when developing your DNF envelopes. This initiative applies only to the “Pay To” address of each provider because it deals solely with returned checks. Mailing addresses and physical addresses are not the major focus.

Outgoing mail must be sorted to identify provider checks, and only these checks will be placed in “Return Service Requested” envelopes. Remittance advices without checks and checks to beneficiaries will be sent in regular envelopes and will be forwarded.

When the check is returned, if applicable, the U. S. Postal Service will provide you with a new address or reason for nondelivery. If a new address for the provider is supplied to you with the returned check, do not automatically change the address of the provider or remail the check to the provider. (See the Change of Address process described below.)

Once an envelope is returned from the post office, the check number and any correspondence in the envelope should be recorded using your normal procedures for incoming mail (for example, microfiched and photocopied). The checks must also be logged and accounted for noting pertinent information such as provider’s name and number, date of check, the check number, the amount of the check and the date the check was returned.

Your Financial Staff will either reissue the check based upon the receipt of an updated verified address or systematically cancel the returned check and notify the Provider Enrollment Staff that a provider must be flagged DNF. The Provider Enrollment Staff will annotate the provider file with a DNF flag pending receipt of a verified address. Any subsequent claims submitted by flagged providers will be processed through the Common Working File (CWF) to adjudication, but no additional check or checks should be generated to the provider until an authorized address correction is received and the flag removed.

In addition, the Provider Enrollment Staff must alert the Fraud and Abuse Staff in the event that any investigations are currently taking place which are affiliated with flagged providers. Implement a standardized reporting format for this process.

Change of Address Process for FIs and Carriers

When the flagged providers notify you that they have not received their checks, direct them to your Provider Enrollment Staff. The provider must complete a change of address Form HCFA-855C or other written notification. The form or written notification must bear an original signature from an authorized representative of the entity that completed the original registration form. No copies, faxes, or stamps are acceptable. For purposes of this process, the most important address is the "Pay To" address. If the provider did not furnish the "Pay To" address on Form HCFA-855C or the written notification, it must be returned and the "Pay To" address must be furnished. Addresses cannot be changed based on telephone calls.

When an address has been verified, your Provider Enrollment Staff must update the address for the provider and remove the DNF flag.

A report must be sent daily from your Provider Enrollment Staff to your Financial Staff advising which providers are no longer flagged DNF. Your Financial Staff must generate all payment that is due the provider for claims that were adjudicated for the time period the provider was flagged.

Quarterly Reporting for FIs, Carriers, and DMERCs

You must report by the fifteenth day of each month following the end of a quarter, through your regional office (RO) to the appointed contact person, the results of this initiative. The revised report for DMERCs and the initial report for carriers begin for the quarter ending September 30, 2000 with the reports due to the RO contact by October 15, 2000. The initial report for FIs begin for the quarter ending March 31, 2001 with the report due to the RO contact by April 15, 2001. You will be notified directly by a RO contact concerning further instructions on the reporting requirements. (See Attachment.)

The *effective date* for this PM for carriers and DMERCs is July 1, 2000.

The *effective date* for this PM for FIs is January 1, 2001.

The *implementation date* for this PM for carriers and DMERCs is July 1, 2000.

The *implementation date* for this PM for FIs is January 1, 2001.

Funding is available through the regular budget process for costs required for implementation for FIs and carriers only.

This PM may be discarded after June 30, 2001.

Contractors should contact the appropriate regional office contacts with any questions concerning this initiative. Regional office staff may direct questions regarding intermediary instructions, to Vicki Pokorny on (410) 786-8787, questions regarding carrier instructions to Mel Page on (410) 786-4727 and questions regarding DMERCs to Angie Costello on (410) 786-1554.

Attachment

DO NOT FORWARD PROJECT			
Activity For the ____ Quarter of FY ____	\$\$	Region	Medicare Contractor (FI/Carrier/DMERC)
Suppliers/Providers Flagged/Corrected Counts			
# suppliers/providers flagged, end of prior quarter			
# new suppliers/providers flagged, this quarter			
# suppliers/providers corrected this quarter			
# suppliers/providers flagged, end of quarter			
Total # suppliers/providers flagged, last 4 quarters			
Total # suppliers/providers corrected, last 4 quarters			
Check Counts			
# checks on hold, end of prior quarter			
# new checks returned this quarter			
# checks re-released this quarter			
# checks on hold, end of quarter			
Total # checks held, last 4 quarters			
Total # checks re-released last 4 quarters			
Dollar Counts			
\$ amount on hold, end of prior quarter			
\$ amount of new checks returned this quarter			
\$ amount of checks re-released this quarter			
\$ amount of checks returned to trust fund this quarter :			
a. amount of checks returned due to fraudulent activity (e.g. suspension pending investigation)			
b. amount of checks returned due to unknown address (e.g. the check is voided (as noted on the check) and the bank has returned the funds to the Medicare Trust Fund)			
Total \$ amount of a. and b. above			
\$ amount on hold, end of quarter			
Total \$ put on hold, last 4 quarters			
Total \$ re-released, last 4 quarters			
Total \$ returned to trust fund, last 4 quarters			
Report By: _____			
Report Date: _____			