

North Carolina Medicaid Special Bulletin

An Information Service of the Division of Medical Assistance

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Medicaid Program Implements Penalties and Interest Assessments

According to NC General Statute – 147-86.10

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Section I. General NC Statute Requirements

What Does North Carolina (NC) General Statute Require?

- Definition of the NC Statute (147-86.10) – This State statute requires effective cash management of all funds. As a result, all balances due to the Medicaid program NOT returned or paid within 30 days will automatically be assessed a one time 10% penalty and interest on an accumulative basis. The interest rate assessed is a variable one set forth by the North Carolina Department of Revenue (NC DOR). The current interest rate is 8%. The interest rate will be updated to ensure compliance with any changes made by the NC DOR
- Effective Date of this Statute within Medicaid Processing – October 1, 1999
- Who It Will Affect – All providers, excluding state agencies, who do NOT return monies due to the Medicaid Program within a 30 day period
- Highlights of Medicaid Processing Changes as a result of implementing NC General Statute 147-86.10:
 1. Penalty and Interest Assessment – Medicaid adjustments or other types monies due to Medicaid, which are not paid in full via claim payment or refunds within 30 days of processing will be assessed a one-time 10% penalty and 8% interest on the outstanding balance. Interest will be assessed every subsequent 30-day period on the total outstanding balance until the total balance is paid in full.
 2. Transfers of Adjustment Balances – Any adjustment balance will be transferred from an inactive provider (no claims payment) to an active provider (claims payment) when determined to be operating under the same tax entity. Refer to Section III for more details.

The above items are explained further in the following pages of this bulletin with examples, changes to the Medicaid Remittance and Status Advice (RA) and new Explanation of Benefit (EOB).

Section II. Penalty and Interest Assessments

Medicaid adjustments or any other monies due to Medicaid initiated by DMA, initiated by audits and edits of the Medicaid program, initiated at the request or known by the provider and are NOT paid in full via claim payment or refunds within 30 days of processing will be assessed a one-time 10% penalty and interest on the outstanding balance. In accordance with statutory requirements, the Medicaid program will use interest rates as established by the North Carolina Department of Revenue (NC DOR). The current interest rate is 8%. Interest will be changed to ensure compliance with any modifications made by the NC DOR. Interest will be assessed every subsequent 30 day period on the total outstanding balance until the total balance is paid in full. The following is an example of penalty and interest assessment on a Medicaid adjustment in the amount of \$200:

- Initial Medicaid Adjustment Amount = \$200
- Payment received in the first 30 day period = \$0
- Balance Remaining (also referred to as Principal Amount) *after* 30 days = $\$200 - \$0 = \$200$
- One time 10% Penalty Assessed for the initial period = $\$200 \times .10 = \20
- 8% Interest Assessed for the initial period = $(\$200 \text{ balance} \times .08 \text{ interest rate}) / 365 \text{ \# of days in year} \times 31 \text{ days aged} = \$1.36 \text{ interest assessment}$

North Carolina Statute and Account Receivable Implementation

- If the balance continues to age to the next 30 day period, interest will be assessed on the total balance due amount of \$221.36 (\$200 principal +\$20 penalty+\$1.36 interest)
- The additional interest amount is \$1.46 ($((\$221.53 \times .08)/365) \times 30$ additional days)
- The total balance going forward is \$222.82 (\$221.36 + \$1.46)

A notice will be provided to each provider on the Medicaid RA when an adjustment or other Medicaid recovery is first initiated. This notice is required by the North Carolina General Statute and titled in the statute as a “dunning notification”. The purpose of the dunning notice is to alert the provider of the potential penalty and interest assessment if balances due are not paid in full within 30 days. This dunning notice will be displayed on the first page of the Medicaid RA and will be displayed as noted on the next page.

DUNNING NOTIFICATION DISPLAYED ON MEDICAID RA:

“Alert! May be subjected to penalty and interest on adjustments processed. Monies are due back to Medicaid. Per the NC Statute 147, this RA serves as your required dunning notification. All outstanding adjustment balances must be paid within 30 days or a 10% one-time penalty will be assessed and interest will be charged at a 8% per annum rate. If you have already issued a refund related to your Medicaid adjustment balance due, please disregard this notice. If you cannot pay this balance within 30 days please contact DMA to discuss other payment arrangements. Disputes related to penalty and interest assessments must be provided through written notification to EDS.”

Penalty and interest assessments will be calculated by the Medicaid program on a monthly basis and will be reflected on the next available Medicaid checkwrite cycle in the Financial Items Section of the Medicaid RA. These penalty and interest financial transactions will be reflected below the related balance due (principal amount) and EOB(s) 2254 & 2255 and 2256 & 2257, respectively, will be used to communicate assessments. Refer to Section VI for definitions of each EOB.

Balances due will continue to be collected through current claims payments and applied against principal amounts first, then against penalty amounts, and interest amounts last. As payments are collected, the related application will be reflected in the Financial Items Section with EOB(s) 112, 2258-2261. However, if the provider is NOT aware of any impending claims payment, a refund can be sent to Medicaid to clear the balance due. Refunds will be processed and applied directly to the outstanding balance due using EOB 2242 and will be reflected in the Financial Items Section of the Medicaid RA. If the refunds are sent within the 30 day window but not entered and applied within the Medicaid system by month-end, penalty and interest will be assessed. However, once the refund is processed, all penalties and interest assessed will be automatically reversed. This reversal of penalty and interest assessments will be reflected in the Financial Items Section of the Medicaid RA with EOB(s) 2251 and 2252. Refer to Section VI for more details on the EOB(s) stated above.

In situations of extreme financial hardship ONLY, the provider can contact the Financial Branch of the Division of Medical Assistance (DMA – (919)-857-4014) and make a request for a payment plan. DMA will consider the request and if approval is granted, then a payment plan will be established. DMA will establish the payment plan arrangements: payment amount and timeline for repayment. Penalty and interest assessments will be made on the amount due during the payment plan timeline.

A dispute for abatement of the penalty and interest can ONLY be initiated if the communication of interest and penalty assessment was not received. The dispute for abatement must be in writing and received within 30 days of the initial penalty and interest assessment; otherwise, the assessments will not be considered for abatement. The dispute will be required to include the following information:

- Provider Number
- Provider Name
- Provider Address

North Carolina Statute and Account Receivable Implementation

- Provider Phone Number
- Copy of RA reflecting the principal, penalty, and interest assessment in question
- Request and reason for abatement
- Mail written notification to:

EDS Finance
4905 Waters Edge Drive
Raleigh, NC 27606

Please allow 30-45 days for review and final determination as to whether any of the penalty and interest assessments will be abated. In the interim, interest assessments will continue to be assessed and accumulate. If claims payments are used to pay the principal, penalty and interest amounts due and abatement of the penalty and interest are deemed appropriate, Medicaid will reimburse the provider via payouts. These penalty and interest payouts will be reflected only in the Financial Items Section of the Medicaid RA and will display EOB 2262 and 2263, respectively. Refer to Section VI for EOB definitions.

Penalty and Interest Assessment Example #1

Example #1 The \$1,500 adjustment initiated on Donna Smith reflects an aged balance of more than 30 days. As a result, the month end 11/99 interest and penalty cycle assessed 10% penalty of \$150 ($\$1,500 \times .10$) and \$12.87 interest based on a current rate of 8% per annum ($((\$1500 \times .08)/365) \times 39$ days aged)

Example #1 – Financial Items Section

Example #1 – Claims Payment Summary

EXAMPLE 1

**NORTH CAROLINA MEDICAID
REMITTANCE AND STATUS REPORT**

ABC CORPORATION
ACCOUNTS RECEIVABLE DEPT
P O BOX 1111
ANYWHERE NC 22222

PROVIDER NUMBER	34XXXXX	REPORT SEQ. NUMBER	17	DATE	12/06/1999	PAGE	2				
NAME	SERVICE DATES	DAYS	PROCEDURE/ACCOMMODATION/DRUG	TOTAL BILLED	NON-ALLOWED	TOTAL ALLOWED	PAYABLE CUTBACK	PAYABLE CHARGE	OTHER DEDUCTED CHARGES	PAID AMOUNT	EXPLANATION CODES
RECIPIENT ID	FROM MM/DD	TO MM/DD	OR UNITS	CODE AND DESCRIPTION							

FINANCIAL ITEMS: ADJUSTMENTS (PRINCIPAL, PENALTY, INTEREST), REFUND, PAYOUT ACTIVITY

RECIPIENT NAME/ RECIPIENT ID	FROM DOS/ TXN DATES	ADJUSTMENT ICM/ ORIGINAL CCN	TRANSFER CCN	PROVIDER % W/H/ ADJUSTMENT % W/H LESS THAN 100%	TRANSFER INDICATOR	ORIGINAL/ TRANSFER AMOUNT (A)	FROM PRIOR CYCLE (B)	AMOUNT COLLECTED (C)	WRITE-OFF AMOUNT (D)	ENDING BALANCE (B-C-D+E) (E)	EOB
PRINCIPAL											
JONES MIRA 900846721Q	09/01/1999 11/15/1999	931999307990020 199309750040			N	50000	50000	00	00	50000	0112
SMITH DONNA 900850166K	09/01/1999 10/18/1999	931999270990010 1999278750020			N	150000	150000	00	00	150000	0112
						SUB TOTAL:	200000	200000	00	200000	
PENALTY											
SMITH DONNA 900850166K	09/01/1999 11/25/1999	1999329400050			N	15000	15000	00	00	15000	2254
						SUB TOTAL:	15000	15000	00	15000	
INTEREST											
SMITH DONNA 900850166K	09/01/1999 11/25/1999	1999329500050			N	1287	1287	00	00	1287	2256
						SUB TOTAL:	1287	1287	00	1287	
						TOTAL PPI:	216287	216287	00	216287	

(TOTAL OF COLUMN C FOR PRINCIPAL, PENALTY, AND INTEREST = TO "WITHHELD AMOUNT" ON CLAIMS PAYMENT SUMMARY PAGE)

NOTE: Underlined items are fields that were expanded in order to become Y2K compliant

EXAMPLE 1 SUMMARY

**NORTH CAROLINA MEDICAID
REMITTANCE AND STATUS REPORT**

ABC CORPORATION
ACCOUNTS RECEIVABLE DEPT
P O BOX 1111
ANYWHERE NC 22222

PROVIDER NUMBER 34XXXXX

REPORT SEQ. NUMBER 17

DATE 12/06/1999

PAGE 3

RECIPIENT ID	SERVICE DATES		DAYS OR UNITS	PROCEDURE/ACCOMMODATION/DRUG CODE AND DESCRIPTION	TOTAL BILLED	NON ALLOWED	TOTAL ALLOWED	PAYABLE CUTBACK	PAYABLE CHARGE	OTHER DEDUCTED CHARGES	PAID AMOUNT	EXPLANATION CODES
	MM/YY	DD/YY										

CLAIMS PAYMENT SUMMARY

CLAIMS PAID	A PAID CLAIMS AMOUNT	B WITHHELD AMOUNT(*)	C NET PAY AMOUNT (A-B)	D CREDIT AMOUNT	E NET 1099 AMOUNT (C-D)	F IRS WITHHELD AMOUNT	G POS & EDI	H OTHER W/H	I ADJUSTED (NET PAY) (C-F-G-H)
CURRENT PROCESSED	0	.00	.00	.00	.00	.00	.00	.00	.00
YEAR-TO-DATE TOTAL	1000	150350.00	5000.00	145350.00	4300.00	141050.00	.00	.00	145350.00

1099 INFORMATION 1099 - THIS INFORMATION IF BEING FURNISHED TO THE INTERNAL REVENUE SERVICE
 PROVIDER TAX ID: 62-1999999 PROVIDER TAX NAME: ABC CORPORATION
 PAYER ID: ELECTRONIC DATA SYSTEMS CORPORATION, PO BOX 30968 RALEIGH, NC 27622 #75-2548211

PLEASE VERIFY THE FOLLOWING IDENTIFICATION NUMBERS THAT HAVE BEEN ASSIGNED TO YOU. IF ANY OF THE NUMBERS ARE INCORRECT, PLEASE SEND CORRECTIONS TO:

EDS
 PO BOX 300009
 RALEIGH, NORTH CAROLINA 27622
 CLIA - NONE ASSIGNED
 UPIN - NONE ASSIGNED

THE FOLLOWING IS A DESCRIPTION OF THE EXPLANATION CODES UTILIZED THROUGHOUT THE REPORT

- 112 CHECK AMOUNT REDUCED BY RECOMPMENT AMOUNT
- 2254 ONE-TIME PENALTY ADJUSTMENT ASSESSED SYSTEMATICALLY. ASSESSMENT OF 10% FOR AGED (>30 DAYS) BALANCE DUE (PRINCIPAL ONLY)
- 2256 INTEREST ASSESSMENT SYSTEMATICALLY ON ADJUSTMENT FOR AGED (>30 DAYS) BALANCE DUE (PRINCIPAL, PENALTY & INTEREST)

SPECIAL NOTE: IF YOUR REMITTANCE ADVISE IS TEN PAGES OR MORE AND YOU ARE DUE A PAPER CHECK FOR CLAIMS REIMBURSEMENT, YOUR CHECK WILL BE MAILED IN A SEPARATE ENVELOPE.

NOTE: Underlined items are fields that were expanded in order to become Y2K compliant

Penalty and Interest Assessment Example #2

Example #2 The 3 adjustments, totaling \$3,200 initiated on Joe Smith reflects an aged balance of more than 30 days. As a result, the month end 11/99 interest and penalty cycle assessed 10% penalty of \$3200 ($\$3,200 \times .10$) and \$27.35 interest based on a current rate of 8% per annum ($((\$3200 \times .08)/365) \times 39$ days aged)

Example #2 – Financial Items Section

Example #2 – Claims Payment Summary

EXAMPLE 2

**NORTH CAROLINA MEDICAID
REMITTANCE AND STATUS REPORT**

ZKW INCORPORATED
ACCOUNTS RECEIVABLE DEPT
P O BOX 1111
ANYWHERE NC 22222

PROVIDER NUMBER		78XXXXX		REPORT SEQ. NUMBER		17		DATE		12/06/1999		PAGE		2	
NAME	SERVICE DATES	FROM	TO	DAYS	PROCEDURE/ACCOMMODATION/DRUG	TOTAL BILLED	NON ALLOWED	TOTAL ALLOWED	PAYABLE CUTBACK	PAYABLE CHARGE	OTHER DEDUCTED CHARGES	PAID AMOUNT	EXPLANATION		
RECIPIENT ID	mm/dd/yyyy	mm/dd/yyyy	mm/dd/yyyy	OR UNITS	CODE AND DESCRIPTION								CODES		

FINANCIAL ITEMS: ADJUSTMENTS (PRINCIPAL, PENALTY, INTEREST), REFUND, PAYOUT ACTIVITY

RECIPIENT NAME/ RECIPIENT ID	FROM DOS/ TXN DATES	ADJUSTMENT ICN/ ORIGINAL CCN	TRANSFER CCN	PROVIDER % W/H/ ADJUSTMENT % W/H LESS THAN 100%	TRANSFER INDICATOR	ORIGINAL/ TRANSFER AMOUNT (A)	FROM PRIOR CYCLE (B)	AMOUNT COLLECTED (C)	WRITE-OFF AMOUNT (D)	ENDING BALANCE (B-C-D+E) (E)	EOB
ADJUSTMENTS NEGATIVE											
PRINCIPAL											
SMITH JOE 900851555Z	09/01/1999 10/18/1999	931999308990120 1999270750240			N	100000	100000	00	00	100000	0112
SMITH JOE 900851555Z	09/01/1999 10/18/1999	931999308990110 1999270750340			N	200000	200000	00	00	200000	0112
SMITH JOE 900851555Z	09/01/1999 10/18/1999	931999306990150 1999270750540			N	20000	20000	00	00	20000	0112
SUB TOTAL:						320000	320000	00	00	320000	
PENALTY											
SMITH JOE 900851555Z	09/01/1999 11/25/1999	1999329400150			N	10000	10000	00	00	10000	2254
SMITH JOE 900851555Z	09/01/1999 11/25/1999	1999329400250			N	20000	20000	00	00	20000	2254
SMITH JOE 900851555Z	09/01/1999 11/25/1999	1999329400350			N	2000	2000	00	00	2000	2254
SUB-TOTAL:						32000	32000	00	00	32000	

NOTE: Underlined items are fields that were expanded in order to become Y2K compliant

**NORTH CAROLINA MEDICAID
REMITTANCE AND STATUS REPORT**

XZW INCORPORATED
ACCOUNTS RECEIVABLE DEPT
P O BOX 1111
ANYWHERE NC 22222

NAME	SERVICE DATES	DAYS	PROCEDURE/ACCOMMODATION/DRUG	TOTAL BILLED	NON ALLOWED	TOTAL ALLOWED	PAYABLE CUTBACK	PAYABLE CHARGE	OTHER DEDUCTED CHARGES	PAID AMOUNT	EXPLANATION CODES
RECIPIENT ID	FROM MM/DD/CCYY TO MM/DD/CCYY	OR UNITS	CODE AND DESCRIPTION								

PROVIDER NUMBER **78XXXXX** REPORT SEQ. NUMBER **17** DATE **12/06/1999** PAGE **3**

RECIPIENT NAME/ FROM DOS/ TXN DATES ADJUSTMENT ICN/ TRANSFER PROVIDER % W/H / TRANSFER ORIGINAL/ FROM PRIOR AMOUNT WRITE-OFF BALANCE
RECIPIENT ID TXN DATES ORIGINAL CCN CCN ADJUSTMENT % W/H LESS THAN 100% INDICATOR AMOUNT (A) CYCLE (B) COLLECTED (C) AMOUNT (D) (B-C-D=E) (E) EOB

**ADJUSTMENTS
NEGATIVE**

INTEREST											
SMITH JOE	09/01/1999				N	855	855	00	00	855	2256
900851555Z	11/25/1999		1999329500250								
SMITH JOE	09/01/1999				N	1710	1710	00	00	1710	2256
900851555Z	11/25/1999		1999329500260								
SMITH JOE	09/01/1999				N	171	171	00	00	171	2256
900851555Z	11/25/1999		1999329500350								

(TOTAL OF COLUMN C FOR PRINCIPAL, PENALTY, AND INTEREST = TO "WITHHELD AMOUNT" ON CLAIMS PAYMENT SUMMARY PAGE)

SUB TOTAL: 2736 2736 00 00 2736
TOTAL PPI: 354736 354736 00 00 354736

NOTE: Underlined items are fields that were expanded in order to become Y2K compliant

EXAMPLE 2 SUMMARY

**NORTH CAROLINA MEDICAID
REMITTANCE AND STATUS REPORT**

XZW INCORPORATED
ACCOUNTS RECEIVABLE DEPT
P O BOX 1111
ANYWHERE NC 22222

PROVIDER NUMBER 78XXXXX

REPORT SEQ. NUMBER 17

DATE 12/06/1999

PAGE 4

RECIPIENT ID	SERVICE DATES		DAYS OR UNITS	PROCEDURE/ACCOMMODATION/DRUG CODE AND DESCRIPTION	TOTAL BILLED	NON ALLOWED	TOTAL ALLOWED	PAYABLE CUTBACK	PAYABLE CHARGE	OTHER DEDUCTED CHARGES	PAID AMOUNT	EXPLANATION CODES
	FROM MM/DD/YY	TO MM/DD/YY										

CLAIMS PAYMENT SUMMARY

CLAIMS PAID	A PAID CLAIMS AMOUNT	B WITHHELD AMOUNT(*)	C NET PAY AMOUNT (A-B)	D CREDIT AMOUNT	E NET 1099 AMOUNT (C-D)	F IRS WITHHELD AMOUNT	G POS & EDI	H OTHER W/H	I ADJUSTED (NET PAY (C-F-G-H))
CURRENT PROCESSED	0	.00	.00	.00	.00	.00	.00	.00	.00
YEAR-TO-DATE TOTAL	2585	357000.00	11850.00	345150.00	5285.00	339865.00	.00	.00	339865.00

1099 INFORMATION 1099 - THIS INFORMATION IF BEING FURNISHED TO THE INTERNAL REVENUE SERVICE
 PROVIDER TAX ID: 56-5555555 PROVIDER TAX NAME: XZW INCORPORATED
 PAYER ID: ELECTRONIC DATA SYSTEMS CORPORATION, PO BOX 30968 RALEIGH, NC 27622 #75-2548211

PLEASE VERIFY THE FOLLOWING IDENTIFICATION NUMBERS THAT HAVE BEEN ASSIGNED TO YOU. IF ANY OF THE NUMBERS ARE INCORRECT, PLEASE SEND CORRECTIONS TO:

EDS
 PO BOX 300009
 RALEIGH, NORTH CAROLINA 27622
 CLIA - NONE ASSIGNED
 UPIN - NONE ASSIGNED

THE FOLLOWING IS A DESCRIPTION OF THE EXPLANATION CODES UTILIZED THROUGHOUT THE REPORT

- 112 CHECK AMOUNT REDUCED BY RECOMPMENT AMOUNT
- 2254 ONE-TIME PENALTY ADJUSTMENT ASSESSED SYSTEMATICALLY. ASSESSMENT OF 10% FOR AGED (>30 DAYS) BALANCE DUE (PRINCIPAL ONLY)
- 2256 INTEREST ASSESSMENT SYSTEMATICALLY ON ADJUSTMENT OF 9% ANNUALLY FOR AGED (>30 DAYS) BALANCE DUE (PRINCIPAL, PENALTY & INTEREST)

SPECIAL NOTE: IF YOUR REMITTANCE ADVISE IS TEN PAGES OR MORE AND YOU ARE DUE A PAPER CHECK FOR CLAIMS REIMBURSEMENT, YOUR CHECK WILL BE MAILED IN A SEPARATE ENVELOPE.

NOTE: Underlined items are fields that were expanded in order to become Y2K compliant

Penalty and Interest Assessment Example #3

Example #3 One adjustment of \$11,250 initiated on Mary Brown reflects an aged balance of more than 30 days. Second adjustment on Gladys Youth has prior penalty and interest assessed and interest is assessed again due to continued aging. As a result, the month end 10/99 and 11/99 penalty and interest cycle assessed the transactions for Gladys Youth as follows: 10% penalty of \$225 ($\$2,250 \times .10$) and \$16.27 interest based on a current rate of 8% per annum ($(\$2,250 \times .08) / 365 \times 33$ days aged) for the 10/99 cycle. For the 11/99 cycle Gladys Youth's balance was \$2,250 principal plus \$225 penalty plus \$16.27 interest totaling to \$2,491.27 and \$20.75 interest was assessed based on ($(\$2,491.27 \times .08) / 365 \times 38$ days additional aging). For the Mary Brown transaction of \$11,250 penalty and interest were assessed in the amount of \$1,125 and \$93.70, respectively. Calculations used were $\$11,250 \times .10$ for penalty and $\$11,250 \times .08 / 365 \times 38$ days for interest.

Example #3 – Financial Items Section

Example #3 – Claims Payment Summary

**NORTH CAROLINA MEDICAID
REMITTANCE AND STATUS REPORT**

ZKW INCORPORATED
ACCOUNTS RECEIVABLE DEPT
P O BOX 1111
ANYWHERE NC 22222

PROVIDER NUMBER 89XXXXX

REPORT SEQ. NUMBER 17

DATE 12/06/1999

PAGE 2

RECIPIENT ID	NAME	SERVICE DATES		DAYS OR UNITS	PROCEDURE/ACCOMMODATION/DRUG CODE AND DESCRIPTION	TOTAL BILLED	NON ALLOWED	TOTAL ALLOWED	PAYABLE CUTBACK	PAYABLE CHARGE	OTHER DEDUCTED CHARGES	PAID AMOUNT	EXPLANATION CODES
		FROM	TO										

FINANCIAL ITEMS: ADJUSTMENTS (PRINCIPAL, PENALTY, INTEREST), REFUND, PAYOUT ACTIVITY

RECIPIENT NAME/ RECIPIENT ID	FROM DOS/ TXN DATES	ADJUSTMENT ICN/ ORIGINAL CCN	TRANSFER CCN	PROVIDER % W/H/ ADJUSTMENT % W/H LESS THAN 100%	TRANSFER INDICATOR	ORIGINAL TRANSFER AMOUNT (A)	FROM PRIOR CYCLE (B)	AMOUNT COLLECTED (C)	WRITE-OFF AMOUNT (D)	ENDING BALANCE (B-C-D+E) (E)	EOB
ADJUSTMENTS NEGATIVE											
PRINCIPAL											
YOUTH GLADYS 976542318P	08/01/1999 09/17/1999	931999308990110 1999260755440			N	225000	225000	00	00	225000	0112
BROWN MARY 988885556Q	09/02/1999 10/18/1999	931999306990220 1999291751240			N	1125000	1125000	00	00	1125000	0112
PENALTY						SUB TOTAL:	1350000	1350000	00	00	1350000
YOUTH GLADYS 976542318P	08/01/1999 10/20/1999	1999293402350			N	22500	22500	00	00	22500	2254
BROWN MARY 988885556Q	09/02/1999 11/25/1999	1999329401250			N	112500	112500	00	00	112500	2254
SUB-TOTAL:						135000	135000	00	00	135000	

NOTE: Underlined items are fields that were expanded in order to become Y2K compliant

**NORTH CAROLINA MEDICAID
REMITTANCE AND STATUS REPORT**

XZW INCORPORATED
ACCOUNTS RECEIVABLE DEPT
P O BOX 1111
ANYWHERE NC 22222

NAME	SERVICE DATES	DAYS	PROCEDURE/ACCOMMODATION/DRUG	TOTAL BILLED	NON ALLOWED	TOTAL ALLOWED	PAYABLE CUTBACK	PAYABLE CHARGE	OTHER DEDUCTED CHARGES	PAGE	PAID AMOUNT	EXPLANATION CODES
RECIPIENT ID	FROM MM/DD/CCYY TO MM/DD/CCYY	OR UNITS	CODE AND DESCRIPTION							17		

PROVIDER NUMBER 89XXXXXX REPORT SEQ. NUMBER 17 DATE 12/06/1999 PAGE 3

FINANCIAL ITEMS: ADJUSTMENTS (PRINCIPAL, PENALTY, INTEREST), REFUND, PAYOUT ACTIVITY

RECIPIENT NAME/ RECIPIENT ID	FROM DOS/ TXN DATES	ADJUSTMENT ICN/ ORIGINAL CCN	TRANSFER CCN	PROVIDER % W/H/ ADJUSTMENT % W/H LESS THAN 100%	TRANSFER INDICATOR	ORIGINAL TRANSFER AMOUNT (A)	FROM PRIOR CYCLE (B)	AMOUNT COLLECTED (C)	WRITE-OFF AMOUNT (D)	ENDING BALANCE (B-C-D+E) (E)	EOB
INTEREST YOUTH GLADYS 976542318P	08/01/1999 10/20/1999				N	1627	1627	00	00	1627	2256
YOUTH GLADYS 976542318P	08/01/1999 11/25/1999				N	2075	2075	00	00	2075	2256
BROWN MARY 988855566Q	09/02/1999 11/25/1999				N	9370	9370	00	00	9370	2256

SUB-TOTAL: 13072 13072 00 00 00 13072
TOTAL PPI: 1498072 1498072 00 00 00 1498072

(TOTAL OF COLUMN C FOR PRINCIPAL, PENALTY, AND INTEREST = TO "WITHHELD AMOUNT" ON CLAIMS PAYMENT SUMMARY PAGE)

NOTE: Underlined items are fields that were expanded in order to become Y2K compliant

EXAMPLE 3 SUMMARY

**NORTH CAROLINA MEDICAID
REMITTANCE AND STATUS REPORT**

XZW INCORPORATED
ACCOUNTS RECEIVABLE DEPT
P O BOX 1111
ANYWHERE NC 22222

PROVIDER NUMBER 89XXXXX

REPORT SEQ. NUMBER 17

DATE 12/06/1999

PAGE 4

RECIPIENT ID	SERVICE DATES		DAYS OR UNITS	PROCEDURE/ACCOMMODATION/DRUG CODE AND DESCRIPTION	TOTAL BILLED	NON ALLOWED	TOTAL ALLOWED	PAYABLE CUTBACK	PAYABLE CHARGE	OTHER DEDUCTED CHARGES	PAID AMOUNT	EXPLANATION CODES
	FROM MM/DD/YY	TO MM/DD/YY										

CLAIMS PAYMENT SUMMARY

CLAIMS PAID	A PAID CLAIMS AMOUNT	B WITHHELD AMOUNT(*)	C NET PAY AMOUNT (A-B)	D CREDIT AMOUNT	E NET 1099 AMOUNT (C-D)	F IRS WITHHELD AMOUNT	G POS & EDI	H OTHER W/H	I ADJUSTED (NET PAY (C-F-G-H))
CURRENT PROCESSED	0	.00	.00	.00	.00	.00	.00	.00	.00
YEAR-TO-DATE TOTAL	2585	357000.00	11850.00	345150.00	5285.00	339865.00	.00	.00	339865.00

1099 INFORMATION 1099 - THIS INFORMATION IF BEING FURNISHED TO THE INTERNAL REVENUE SERVICE
 PROVIDER TAX ID: 56-5555555 PROVIDER TAX NAME: XZW INCORPORATED
 PAYER ID: ELECTRONIC DATA SYSTEMS CORPORATION, PO BOX 30968 RALEIGH, NC 27622 #75-2548211

PLEASE VERIFY THE FOLLOWING IDENTIFICATION NUMBERS THAT HAVE BEEN ASSIGNED TO YOU. IF ANY OF THE NUMBERS ARE INCORRECT, PLEASE SEND CORRECTIONS TO:

EDS
 PO BOX 300009
 RALEIGH, NORTH CAROLINA 27622
 CLIA - NONE ASSIGNED
 UPIN - NONE ASSIGNED

THE FOLLOWING IS A DESCRIPTION OF THE EXPLANATION CODES UTILIZED THROUGHOUT THE REPORT

- 112 CHECK AMOUNT REDUCED BY RECOMPMENT AMOUNT
- 2254 ONE-TIME PENALTY ADJUSTMENT ASSESSED SYSTEMATICALLY. ASSESSMENT OF 10% FOR AGED (>30 DAYS) BALANCE DUE (PRINCIPAL ONLY)
- 2256 INTEREST ASSESSMENT SYSTEMATICALLY ON ADJUSTMENT OF 9% ANNUALLY FOR AGED (>30 DAYS) BALANCE DUE (PRINCIPAL, PENALTY & INTEREST)

SPECIAL NOTE: IF YOUR REMITTANCE ADVISE IS TEN PAGES OR MORE AND YOU ARE DUE A PAPER CHECK FOR CLAIMS REIMBURSEMENT, YOUR CHECK WILL BE MAILED IN A SEPARATE ENVELOPE.

NOTE: Underlined items are fields that were expanded in order to become Y2K compliant

Section III. Transfers of Adjustment Balances

Transfers of adjustments or other Medicaid recovery balances will be initiated from an inactive provider (no claims payment) to an active provider (claims payment) when it has been determined that both providers are operating under the same tax entity; thus, the same tax entity. This will ensure Medicaid's timely recovery of monies due to the program. This transfer action will be taken based on the following criteria:

- If the adjustment or other Medicaid recovery balance has reached either of the following milestones:
 - No payment has been received and the balance is more than 30 days old
 - Only partial payment has been received and the adjustment balance is more than 60 days old
- If another provider is identified with the same tax identification number on the Medicaid file at either the 31 or 61 day point and this provider is actively submitting claims and receiving payments from Medicaid, then the following transactions will be processed:
 - The current inactive provider outstanding balance (principal, penalty and interest assessed at the 31 or 61 day point) will be transferred to the active provider for immediate collection using a financial adjustment to remove the total balance due. This transaction will result in the removal of the balance due and will be reflected in the Financial Items Section only of the Medicaid RA with EOB 2249. (Refer to section VI)
 - The identified active provider will receive the transferred balances via financial transactions reflecting in the Financial Items Section only of the Medicaid RA with EOB(s) 2243/2244 for principal; 2245-2246 for penalty, and 2247-2248 for interest. (Refer to section VI).

Transferring will occur when the criteria above is met in each Medicaid checkwrite cycle. Again, if deemed an inactive provider and he/she is aware of other active providers operating in the same tax entity, i.e., they have the same tax identification number, action should be taken to pay off all balances due within 30 days. Providers can refund the monies due or request a payment plan to reduce the risk of having balances transferred. Once transferred balances are initiated, they cannot be reversed and the related provider parties must settle with each other.

Transfer of Receivable Example #4

Example #4 **The \$500 adjustment initiated on Wendy Jones reflects an aged balance of more than 30 days and no claims payment activity in the last 30 days. As a result, prior to month end 11/99 interest and penalty cycle assessments, the balance due is transferred to provider number 342XXXX with the same tax identification data - 62-1111111 - MEL Corporation.**

Example #4 – Financial Items Section

Example #4 – Claims Payment Summary

EXAMPLE 4

**NORTH CAROLINA MEDICAID
REMITTANCE AND STATUS REPORT**

MEL CORPORATION
ACCOUNTS RECEIVABLE DEPT
P O BOX 1111
ANYWHERE NC 22222

PROVIDER NUMBER 341XXXX

REPORT SEQ. NUMBER 17

DATE 11/15/1999

PAGE 2

RECIPIENT ID	SERVICE DATES		DAYS OR UNITS	PROCEDURE/ACCOMMODATION/DRUG CODE AND DESCRIPTION	TOTAL BILLED	NON ALLOWED	TOTAL ALLOWED	PAYABLE CUTBACK	PAYABLE CHARGE	OTHER DEDUCTED CHARGES	PAID AMOUNT	EXPLANATION CODES
	FROM	TO										

FINANCIAL ITEMS: ADJUSTMENTS (PRINCIPAL, PENALTY, INTEREST), REFUND, PAYOUT ACTIVITY

RECIPIENT NAME/ RECIPIENT ID	FROM DOS/ TXN DATES	ADJUSTMENT ICN/ ORIGINAL CCN	TRANSFER CCN	PROVIDER % W/H / ADJUSTMENT % W/H LESS THAN 100%	TRANSFER INDICATOR	ORIGINAL/ TRANSFER AMOUNT (A)	FROM PRIOR CYCLE (B)	AMOUNT COLLECTED (C)	WRITE-OFF AMOUNT (D)	ENDING BALANCE (B-C-D=E) (E)	EOB
PRINCIPAL JONES WENDY 988844444Q	07/10/1999 10/08/1999	931999221990120	1999281750040		Y	50000	50000	00	50000	00	2249
						SUB-TOTAL	50000	50000	00	50000	00
						TOTAL PPI:	50000	50000	00	50000	00

(TOTAL OF COLUMN C FOR PRINCIPAL, PENALTY, AND INTEREST = TO "WITHHELD AMOUNT" ON CLAIMS PAYMENT SUMMARY PAGE)

NOTE: Underlined items are fields that were expanded in order to become Y2K compliant

EXAMPLE 4 SUMMARY

**NORTH CAROLINA MEDICAID
REMITTANCE AND STATUS REPORT**

MEL CORPORATION
ACCOUNTS RECEIVABLE DEPT
P O BOX 1111
ANYWHERE NC 22222

PROVIDER NUMBER 341XXXX

REPORT SEQ. NUMBER 17

DATE 11/15/1999

PAGE 3

RECIPIENT ID	SERVICE DATES		DAYS OR UNITS	PROCEDURE/ACCOMMODATION/DRUG CODE AND DESCRIPTION	TOTAL BILLED	NON ALLOWED	TOTAL ALLOWED	PAYABLE CUTBACK	PAYABLE CHARGE	OTHER DEDUCTED CHARGES	PAID AMOUNT	EXPLANATION CODES
	MM/YY	DD/YY										

CLAIMS PAYMENT SUMMARY

CLAIMS PAID	A PAID CLAIMS AMOUNT	B WITHHELD AMOUNT(*)	C NET PAY AMOUNT (A-B)	D CREDIT AMOUNT	E NET 1099 AMOUNT (C-D)	F IRS WITHHELD AMOUNT	G POS & EDI	H OTHER W/H	I ADJUSTED (NET PAY (C-F-G-H))
CURRENT PROCESSED	0	.00	.00	.00	.00	.00	.00	.00	.00
YEAR-TO-DATE TOTAL	1000	15350.00	10000.00	5350.00	2000.00	3350.00	.00	.00	5350.00

1099 INFORMATION 1099 - THIS INFORMATION IF BEING FURNISHED TO THE INTERNAL REVENUE SERVICE
 PROVIDER TAX ID: 62-1111111 PROVIDER TAX NAME: MEL CORPORATION
 PAYER ID: ELECTRONIC DATA SYSTEMS CORPORATION, PO BOX 30968 RALEIGH, NC 27622 #75-2548211

PLEASE VERIFY THE FOLLOWING IDENTIFICATION NUMBERS THAT HAVE BEEN ASSIGNED TO YOU. IF ANY OF THE NUMBERS ARE INCORRECT, PLEASE SEND CORRECTIONS TO:

EDS
PO BOX 300009
RALEIGH, NORTH CAROLINA 27622

 CLIA - NONE ASSIGNED
UPIN - NONE ASSIGNED

THE FOLLOWING IS A DESCRIPTION OF THE EXPLANATION CODES UTILIZED THROUGHOUT THE REPORT
 2249 ADJUSTMENT WRITE-OFF DUE TO TRANSFER OF OUTSTANDING BALANCE. NO EFFECT ON CLAIMS PAYMENT SUMMARY ITEMS (COLUMNS A-I)

* SPECIAL NOTE: IF YOUR REMITTANCE ADVISE IS TEN PAGES OR MORE AND YOU ARE DUE A PAPER CHECK FOR CLAIMS REIMBURSEMENT, YOUR CHECK WILL BE MAILED IN A SEPARATE ENVELOPE.

NOTE: Underlined items are fields that were expanded in order to become Y2K compliant

Continuation-Transfer of Receivable Example #4

Continuation of Example #4 The \$500 adjustment indicated below is the transfer of provider number 341XXXX balance due of \$500 to the active provider number 342XXXX with the same tax identification data - 62-1111111 - MEL Corporation.

Example #4A – Financial Items Section

Example #4A – Claims Payment Summary

**NORTH CAROLINA MEDICAID
REMITTANCE AND STATUS REPORT**

MEL CORPORATION
ACCOUNTS RECEIVABLE DEPT
P O BOX 1111
ANYWHERE NC 22222

NAME	SERVICE DATES	DAYS	PROCEDURE/ACCOMMODATION/DRUG	TOTAL BILLED	NON ALLOWED	TOTAL ALLOWED	PAYABLE CUTBACK	PAYABLE CHARGE	OTHER DEDUCTED CHARGES	PAID AMOUNT	EXPLANATION CODES
RECIPIENT ID	FROM MM/DD/CCYY TO MM/DD/CCYY	OR UNITS	CODE AND DESCRIPTION								

PROVIDER NUMBER 342XXXXX REPORT SEQ. NUMBER 17 DATE 11/15/1999 PAGE 2

FINANCIAL ITEMS: ADJUSTMENTS (PRINCIPAL, PENALTY, INTEREST), REFUND, PAYOUT ACTIVITY

RECIPIENT NAME/ RECIPIENT ID	FROM DOS/ TXN DATES	ADJUSTMENT ICN/ ORIGINAL CCN	TRANSFER CCN	PROVIDER % W/H/ ADJUSTMENT % W/H LESS THAN 100%	TRANSFER INDICATOR	ORIGINAL/ TRANSFER AMOUNT (A)	FROM PRIOR CYCLE (B)	AMOUNT COLLECTED (C)	WRITE-OFF AMOUNT (D)	ENDING BALANCE (B-C-D+E) (E)	EOB
PRINCIPAL JONES WENDY 988844444Q	07/10/1999 11/11/1999	93199221990120 199281750040	1999315001446		Y	50000	50000	50000	00	00	2243
						SUB-TOTAL	50000	50000	50000	00	00
						TOTAL PPI:	50000	50000	50000	00	00

(TOTAL OF COLUMN C FOR PRINCIPAL, PENALTY, AND INTEREST = TO "WITHHELD AMOUNT" ON CLAIMS PAYMENT SUMMARY PAGE)

NOTE: Underlined items are fields that were expanded in order to become Y2K compliant

EXAMPLE 4a SUMMARY

**NORTH CAROLINA MEDICAID
REMITTANCE AND STATUS REPORT**

MEL CORPORATION
ACCOUNTS RECEIVABLE DEPT
P O BOX 1111
ANYWHERE NC 22222

PROVIDER NUMBER		342XXXX		REPORT SEQ. NUMBER		17		DATE		10/11/1999		PAGE		3		
NAME	RECIPIENT ID	SERVICE DATES	FROM	TO	DAYS	OR	UNITS	PROCEDURE/ACCOMMODATION/DRUG CODE AND DESCRIPTION	TOTAL BILLED	NON ALLOWED	TOTAL ALLOWED	PAYABLE C/UTBACK	PAYABLE CHARGE	OTHER DEDUCTED CHARGES	PAID AMOUNT	EXPLANATION CODES

CLAIMS PAID	PAID AMOUNT	A	CLAIMS PAID AMOUNT	B	WITHHELD AMOUNT(*)	C	NET PAY AMOUNT (A-B)	D	CREDIT AMOUNT	E	NET 1099 AMOUNT (C-D)	F	IRS WITHHELD AMOUNT	G	POS & EDI	H	OTHER W/H	I	ADJUSTED (NET PAY (C-F-G-H))
10	1500.00		1000	1115350.00	.00	1115350.00	2000.00	.00	1113350.00	.00	.00	.00	.00	.00	.00	.00	.00	1113350.00	1000.00
YEAR-TO-DATE TOTAL																			

1099 INFORMATION 1099 - THIS INFORMATION IF BEING FURNISHED TO THE INTERNAL REVENUE SERVICE
 PROVIDER TAX ID: 62-1111111 PROVIDER TAX NAME: MEL CORPORATION
 PAYER ID: ELECTRONIC DATA SYSTEMS CORPORATION, PO BOX 30968 RALEIGH, NC 27622 #75-2548211

PLEASE VERIFY THE FOLLOWING IDENTIFICATION NUMBERS THAT HAVE BEEN ASSIGNED TO YOU. IF ANY OF THE NUMBERS ARE INCORRECT, PLEASE SEND CORRECTIONS TO:

EDS
PO BOX 300009
RALEIGH, NORTH CAROLINA 27622

CLIA - NONE ASSIGNED
UPIN - NONE ASSIGNED

THE FOLLOWING IS A DESCRIPTION OF THE EXPLANATION CODES UTILIZED THROUGHOUT THE REPORT

2243 TRANSFER OF PRINCIPAL SYSTEM ADJUSTMENT TO ACTIVE PROVIDER WITH SAME TAX I.D. ORIGINAL PROVIDER IS NO LONGER ACTIVE

SPECIAL NOTE: IF YOUR REMITTANCE ADVISE IS TEN PAGES OR MORE AND YOU ARE DUE A PAPER CHECK FOR CLAIMS REIMBURSEMENT, YOUR CHECK WILL BE MAILED IN A SEPARATE ENVELOPE.

NOTE: Underlined items are fields that were expanded in order to become Y2K compliant

Transfer of Receivable Example #5

Example #5 The \$1500 adjustment initiated on Martin Dove reflects an aged balance of more than 60 days with partial claims payment activity in the last 60 days. As a result, after month end 11/99 interest and penalty cycle assessments the total balance due is transferred to provider number 344444X with the same tax identification data - 62-2222222 - DEB Corporation.

Example #5 – Financial Items Section

Example #5 – Claims Payment Summary

EXAMPLE 5

**NORTH CAROLINA MEDICAID
REMITTANCE AND STATUS REPORT**

DEB CORPORATION
ACCOUNTS RECEIVABLE DEPT
P O BOX 1111
ANYWHERE NC 22222

PROVIDER NUMBER		898887X		REPORT SEQ. NUMBER		17		DATE		12/13/1999		PAGE		2	
NAME	SERVICE DATES	DAYS	PROCEDURE/ACCOMMODATION/DRUG	TOTAL	NON	TOTAL	PAYABLE	PAYABLE	OTHER	PAID	EXPLANA-				
RECIPIENT ID	FROM	OR	CODE AND DESCRIPTION	BILLED	ALLOWED	ALLOWED	CUTBACK	CHARGE	DEDUCTED	AMOUNT	TION				
ID	MM/DD	MM/DD							CHARGES		CODES				

FINANCIAL ITEMS: ADJUSTMENTS (PRINCIPAL, PENALTY, INTEREST), REFUND, PAYOUT ACTIVITY

RECIPIENT NAME/ RECIPIENT ID	FROM DOS/ TXN DATES	ADJUSTMENT ICM/ ORIGINAL CCN	TRANSFER CCN	PROVIDER % W/H / ADJUSTMENT % W/H LESS THAN 100%	TRANSFER INDICATOR	ORIGINAL/ TRANSFER AMOUNT (A)	FROM PRIOR CYCLE (B)	AMOUNT COLLECTED (C)	WRITE-OFF AMOUNT (D)	ENDING BALANCE (B-C-D+E) (E)	EOB
---------------------------------	------------------------	---------------------------------	-----------------	--	-----------------------	--	----------------------------	----------------------------	----------------------------	---------------------------------------	-----

ADJUSTMENTS
NEGATIVE

PRINCIPAL
DOVE MARTIN
97/6542317P
08/01/1999
10/08/1999
931999264990110
1999281755440
Y
225000
200000
00
200000
00
2249

PENALTY
DOVE MARTIN
97/6542317P
08/01/1999
11/25/1999
1999329402350
Y
225000
200000
00
200000
00
2249

INTEREST
DOVE MARTIN
97/6542317P
08/01/1999
11/25/1999
1999329502360
Y
2060
2060
00
2060
00
2249

(TOTAL OF COLUMN C FOR PRINCIPAL, PENALTY, AND INTEREST = TO "WITHHELD AMOUNT" ON CLAIMS PAYMENT SUMMARY PAGE)

SUB-TOTAL: 2060 2060 00 2060 00 2060 00
TOTAL PPI: 247060 222060 00 222060 00 00

NOTE: Underlined items are fields that were expanded in order to become Y2K compliant

EXAMPLE 5 SUMMARY

**NORTH CAROLINA MEDICAID
REMITTANCE AND STATUS REPORT**

DEB CORPORATION
ACCOUNTS RECEIVABLE DEPT
P O BOX 1111
ANYWHERE NC 22222

PROVIDER NUMBER		898887X		REPORT SEQ. NUMBER		17		DATE		12/13/1999		PAGE		3	
RECIPIENT NAME	SERVICE DATES	DAYS	PROCEDURE/ACCOMMODATION/DRUG			TOTAL BILLED	NON ALLOWED	TOTAL ALLOWED	PAYABLE CUTBACK	PAYABLE CHARGE	OTHER DEDUCTED CHARGES	PAID AMOUNT	EXPLANATION CODES		
ID	FROM TO	OR	CODE AND DESCRIPTION	UNITS											

CLAIMS PAYMENT SUMMARY EFT 111146

CLAIMS PAID	A PAID CLAIMS AMOUNT	B WITHHELD AMOUNT(*)	C NET PAY AMOUNT (A-B)	D CREDIT AMOUNT	E NET 1099 AMOUNT (C-D)	F IRS WITHHELD AMOUNT	G POS & EDI	H OTHER W/H	I ADJUSTED (NET PAY (C-F-G-H))
CURRENT PROCESSED	0	.00	.00	.00	.00	.00	.00	.00	.00
YEAR-TO-DATE TOTAL	20	1152.00	250.00	902.00	150.00	752.00	.00	.00	752.00

1099 INFORMATION 1099 - THIS INFORMATION IS BEING FURNISHED TO THE INTERNAL REVENUE SERVICE
 PROVIDER TAX ID: 62-222222
 PROVIDER TAX NAME: DEB CORPORATION
 PAYER ID: ELECTRONIC DATA SYSTEMS CORPORATION, PO BOX 30968 RALEIGH, NC 27622 #75-2548211

PLEASE VERIFY THE FOLLOWING IDENTIFICATION NUMBERS THAT HAVE BEEN ASSIGNED TO YOU. IF ANY OF THE NUMBERS ARE INCORRECT, PLEASE SEND CORRECTIONS TO:

EDS
PO BOX 300009
RALEIGH, NORTH CAROLINA 27622

CLIA - NONE ASSIGNED
UPIN - NONE ASSIGNED

THE FOLLOWING IS A DESCRIPTION OF THE EXPLANATION CODES UTILIZED THROUGHOUT THE REPORT

2249 ADJUSTMENT WRITE-OFF DUE TO TRANSFER OF OUTSTANDING BALANCE. NO EFFECT ON CLAIMS PAYMENT SUMMARY ITEMS (COLUMNS A-I)

* SPECIAL NOTE: IF YOUR REMITTANCE ADVISE IS TEN PAGES OR MORE AND YOU ARE DUE A PAPER CHECK FOR CLAIMS REIMBURSEMENT, YOUR CHECK WILL BE MAILED IN A SEPARATE ENVELOPE.

NOTE: Underlined items are fields that were expanded in order to become Y2K compliant

Continuation-Transfer of Receivable Example #5

Continuation of Example #5 **The \$1500 adjustment initiated on Martin Dove reflects an aged balance of more than 60 days with partial claims payment activity in the last 60 days. As a result, prior to month end 11/99 interest and penalty cycle assessments the balance due is transferred to provider number 899887X with the same tax identification data - 62-2222222 - DEB Corporation.**

Example #5A – Financial Items Section

Example #5A – Claims Payment Summary

**NORTH CAROLINA MEDICAID
REMITTANCE AND STATUS REPORT**

DEB CORPORATION
ACCOUNTS RECEIVABLE DEPT
P O BOX 1111
ANYWHERE NC 22222

NAME	SERVICE DATES	DAYS	PROCEDURE/ACCOMMODATION/DRUG	TOTAL BILLED	NON ALLOWED	TOTAL ALLOWED	PAYABLE CUTBACK	PAYABLE CHARGE	OTHER DEDUCTED CHARGES	PAGE	PAID AMOUNT	EXPLANATION
RECIPIENT ID	FROM MM/DD/CCYY TO MM/DD/CCYY	OR UNITS	CODE AND DESCRIPTION							2		ION

PROVIDER NUMBER **344444X** REPORT SEQ. NUMBER **17** DATE **12/13/1999** PAGE **2**

FINANCIAL ITEMS: ADJUSTMENTS (PRINCIPAL, PENALTY, INTEREST), REFUND, PAYOUT ACTIVITY

RECIPIENT NAME/ RECIPIENT ID	FROM DOS/ TXN DATES	ADJUSTMENT ICN/ ORIGINAL CCN	TRANSFER CCN	PROVIDER % W/H/ ADJUSTMENT % W/H LESS THAN 100%	TRANSFER INDICATOR	ORIGINAL/ TRANSFER AMOUNT (A)	FROM PRIOR CYCLE (B)	AMOUNT COLLECTED (C)	WRITE-OFF AMOUNT (D)	ENDING BALANCE (B-C-D=E)	EOB
PRINCIPAL DOVE MARTIN 976542317P	08/01/1999 10/08/1999	931999264990110 1999281755440	1999344001218		Y	200000	200000	200000	00	00	2243
						SUB-TOTAL:	200000	200000	200000	00	00
PENALTY DOVE MARTIN 976542317P	08/01/1999 11/25/1999	1999329402350	1999344001225		Y	20000	20000	20000	00	00	2245
						SUB-TOTAL:	20000	20000	20000	00	00
INTEREST DOVE MARTIN 976542317P	08/01/1999 11/25/1999	1999329502360	1999344001245		Y	2060	2060	2060	00	00	2247
						SUB-TOTAL:	2060	2060	2060	00	00
						TOTAL PRI:	222060	222060	222060	00	00

(TOTAL OF COLUMN C FOR PRINCIPAL, PENALTY, AND INTEREST = TO "WITHHELD AMOUNT" ON CLAIMS PAYMENT SUMMARY PAGE)

NOTE: Underlined items are fields that were expanded in order to become Y2K compliant

**NORTH CAROLINA MEDICAID
REMITTANCE AND STATUS REPORT**

DEB CORPORATION
ACCOUNTS RECEIVABLE DEPT
P O BOX 1111
ANYWHERE NC 22222

PROVIDER NUMBER **344444X**

REPORT SEQ. NUMBER **17**

DATE **12/13/1999**

PAGE **3**

RECIPIENT ID	SERVICE DATES		DAYS OR UNITS	PROCEDURE/ACCOMMODATION/DRUG CODE AND DESCRIPTION	TOTAL BILLED	NON ALLOWED	TOTAL ALLOWED	PAYABLE CUTBACK	PAYABLE CHARGE	OTHER DEDUCTED CHARGES	PAID AMOUNT	EXPLANATION CODES
	FROM MM/DD/YY	TO MM/DD/YY										

CLAIMS PAYMENT SUMMARY

CLAIMS PAID	A PAID CLAIMS AMOUNT	B WITHHELD AMOUNT(*)	C NET PAY AMOUNT (A-B)	D CREDIT AMOUNT	E NET 1099 AMOUNT (C-D)	F IRS WITHHELD AMOUNT	G POS & EDI	H OTHER W/H	I ADJUSTED (NET PAY (C-F-G-H))
CURRENT PROCESSED	25	11555.00	2220.60	9334.40	.00	9334.40	.00	.00	9334.40
YEAR-TO-DATE TOTAL	225	98200.00	4800.00	93400.00	.00	93400.00	.00	.00	93400.00

1099 INFORMATION 1099 - THIS INFORMATION IF BEING FURNISHED TO THE INTERNAL REVENUE SERVICE
 PROVIDER TAX ID: 62-222222
 PROVIDER TAX NAME: DEB CORPORATION
 PAYER ID: ELECTRONIC DATA SYSTEMS CORPORATION, PO BOX 30968 RALEIGH, NC 27622 #75-2548211

PLEASE VERIFY THE FOLLOWING IDENTIFICATION NUMBERS THAT HAVE BEEN ASSIGNED TO YOU. IF ANY OF THE NUMBERS ARE INCORRECT, PLEASE SEND CORRECTIONS TO:

EDS
PO BOX 300009
RALEIGH, NORTH CAROLINA 27622

 CLIA - NONE ASSIGNED
UPIN - NONE ASSIGNED

THE FOLLOWING IS A DESCRIPTION OF THE EXPLANATION CODES UTILIZED THROUGHOUT THE REPORT

- 2243 TRANSFER OF PRINCIPAL SYSTEM ADJUSTMENT TO ACTIVE PROVIDER WITH SAME TAX I.D. ORIGINAL PROVIDER IS NO LONGER ACTIVE
- 2245 TRANSFER OF PENALTY FROM SYSTEM ADJUSTMENT TO ACTIVE PROVIDER WITH SAME TAX I.D. ORIGINAL PROVIDER IS NO LONGER ACTIVE
- 2247 TRANSFER OF INTEREST FROM SYSTEM ADJUSTMENT TO ACTIVE PROVIDER WITH SAME TAX I.D. ORIGINAL PROVIDER IS NO LONGER ACTIVE

* SPECIAL NOTE: IF YOUR REMITTANCE ADVISE IS TEN PAGES OR MORE AND YOU ARE DUE A PAPER CHECK FOR CLAIMS REIMBURSEMENT, YOUR CHECK WILL BE MAILED IN A SEPARATE ENVELOPE.

NOTE: Underlined items are fields that were expanded in order to become Y2K compliant

Section IV. Tape RA – Data Accumulation Changes Only

For all providers receiving tape RAs, file layout changes were NOT necessary as a result of the above changes. However, we do want to take this opportunity to explain the definition of certain financial fields to assist further in the payment reconciliation process as noted below:

- Financial Item Record
 - Applied Amount (Position in Record 124-132/Length 9): After 10/1/99 this field will accumulate the data related to all payments applied to satisfy an outstanding balance as well as any adjustments/write-offs applied to satisfy outstanding balance amounts
- Provider Balancing Record
 - Total IRS Withheld Amount (Position in Record 100-110/Length 11): After 10/1/99 this field will accumulate the data related to all amounts withheld for IRS and other purposes, such as IRS and/or NC Department of Revenue tax levies

Section V. Year 2000 Medicaid Remittance and Status Report (RA) Changes

In addition to all the modifications made in the Financial Items and Claims Payment Sections of the RA, all dates and data elements will be expanded to comply with Year 2000 requirements. The current format of all RA date fields is MM/DD/YY (10/01/99). Effective 10/1/1999, all dates on the RA will be modified and reflected as MM/DD/CCYY, 10/11/1999. RA data elements currently reflect the last 2 digits of the year only, such as, the claim number assigned to each claim - 259936555501. Effective 10/01/1999, the claim number data element will be expanded and reflected as 25199936555501 and all other data elements will be modified accordingly.

Y2K Compliant Dates – Claims Section of RA – Example #6

Example #6 Claim section of the RA reflecting Y2K compliant dates. Dates and internal control numbers affected are underlined for easier identification.

NORTH CAROLINA MEDICAID
REMITTANCE AND STATUS REPORT

XYZ CONVALESCENT CENTER
ACCOUNTS RECEIVABLE DEPT
P O BOX 1111
ANYWHERE NC 22222

PROVIDER NUMBER		34899999		REPORT SEQ. NUMBER		19		DATE		07/06/1999		PAGE		2	
NAME	SERVICE DATES	FROM	TO	DAYS	PROCEDURE/ACCOMMODATION/DRUG	TOTAL	NON	TOTAL	PAYABLE	PAYABLE	OTHER	PAID	EXPLANATION		
RECIPIENT ID	MM/DD/YY	MM/DD/YY	MM/DD/YY	OR UNITS	CODE AND DESCRIPTION	BILLED	ALLOWED	ALLOWED	CUTBACK	CHARGE	DEDUCTED CHARGES	AMOUNT	CODES		
PAID CLAIMS															
INPATIENT NURSING HOME															
JONES MARY	D	CO=81	RCC=	CLAIM NUMBER=251999182100888	MED REC=99999999	250000	00	250000	00	250000	00	250000	99		
988888888A	06011999	06301999		30 A 100 ALL-INCLUSIVE R&B PLUS ANCI											
DEDUCTIBLE= .00 PAT LIAB= .00 CO PAY= .00 TPL= .00															
SMITH JOHN	G	CO=23	RCC=	CLAIM NUMBER=251999173200777	MED REC=88888888	500000	00	500000	00	500000	00	500000	99		
998888888B	06011999	06301999		30 A 100 ALL-INCLUSIVE R&B PLUS ANCI											
DEDUCTIBLE= .00 PAT LIAB= .00 CO PAY= .00 TPL= .00															
TURNER JOE	M	CO=23	RCC=	CLAIM NUMBER=251999167300666	MED REC=77777777	450025	00	450025	00	450025	00	450025	99		
999888888C	06011999	06301999		30 A 100 ALL-INCLUSIVE R&B PLUS ANCI											
DEDUCTIBLE= .00 PAT LIAB= .00 CO PAY= .00 TPL= .00															
3 CLAIMS 90 INPATIENT NURSING HOME *****															
TOTAL PAID CLAIMS 3 CLAIMS 1200025 00 1200025 00 1200025 00 1200025															
****->															

NOTE: Underlined items are fields that were expanded in order to become Y2K compliant

Y2K Compliant Dates – Adjustment Section of RA – Example #7

Example #7 Adjustment section of the RA reflecting Y2K compliant dates. Dates and internal control numbers affected are underlined for easier identification.

EXAMPLE 7

**NORTH CAROLINA MEDICAID
REMITTANCE AND STATUS REPORT**

XYZ CONVALESCENT CENTER
ACCOUNTS RECEIVABLE DEPT
P O BOX 11111
ANYWHERE NC 22222

PROVIDER NUMBER 78999999

REPORT SEQ. NUMBER 17

DATE 07/06/1999

PAGE 2

NAME RECIPIENT ID	SERVICE DATES		DAYS OR UNITS	PROCEDURE/ACCOMMODATION/DRUG CODE AND DESCRIPTION	TOTAL BILLED	NON ALLOWED	TOTAL ALLOWED	PAYABLE CUTBACK	PAYABLE CHARGE	OTHER DEDUCTED CHARGES	PAID AMOUNT	EXPLANA- TION CODES
	FROM MM/DD	TO CC/YY										
BARVES LARRY 988888888A 86 ADJUSTMENT OF CLAIM 251999104300400	D CO=43 10011998	RCC= 10061998	CLAIM NUMBER=971999183001888 6	**ADJ**CREDIT TO 251999100300888 B W8254 ACH/PC SERVICES: BASIC + EA MED REC=1530	12550	00	12550	00	12550	00	12550-	9612
	DEDUCTIBLE=	.00	PAT LAB=	.00	CO PAY=	.00	TP L=	.00	12550	00	12550-	
	CLAIMS		INPATIENT ADJUSTMENT	*****	12550	00	12550	00	12550	00	12550-	
***-->	TOTAL ADJUSTED CLAIMS		CLAIMS		12550	00	12550	00	12550	00	12550-	

NOTE: Underlined items are fields that were expanded in order to become Y2K compliant

Section VI. Explanation of Benefit (EOB) Descriptions

Financial EOB #	EOB MESSAGE (as displayed on RA)	ACTION / DEFINITION
111	Settlement amount added to claims payment due to state authorized payout	Payment by DMA to reimburse provider under unusual circumstances. The payment amount is added to claims paid amount.
112	Check amount reduced by recoupment amount	Claims payment reduced by amounts applied to outstanding balances due (principal only).
113	Refund amount applied and 1099 credited for returned Medicaid payments	Monies returned by the provider to the Medicaid program and processed in Medicaid system. Since funds are returned the amount of the annual 1099 is reduced to provide the appropriate credit to the provider.
2242	Refund applied to outstanding principal, penalty, and interest balances (refer to write-off EOB). 1099 credited for return of Medicaid payments.	Provider refund received and dispositioned, resulting in reduction of outstanding principal, penalty, and interest and also in the provider's 1099 IRS amount.
2243	Transfer of principal system adjustment to active provider with same tax i.d. original provider is no longer active.	Outstanding balance transferred to this provider number. Originally assessed provider number has the same tax identification number as this facility, but is no longer an active Medicaid provider.
2244	Transfer of manual system adjustment to active provider with same tax I.D. original provider is no longer active.	Outstanding balance transferred to this provider number. Originally assessed provider number has the same tax identification number as this facility, but is no longer an active Medicaid provider.
2245	Transfer of penalty from system adjustment to active provider with same tax I.D. original provider is no longer active.	Outstanding penalty balance transferred to this provider number. Originally assessed provider number has the same tax identification number as this facility, but is no longer an active Medicaid provider.
2246	Transfer of penalty from manual adjustment to active provider with same tax I.D. original provider is no longer active.	Outstanding penalty balance transferred to this provider number. Originally assessed provider number has the same tax identification number as this facility, but is no longer an active Medicaid provider.
2247	Transfer of interest from system adjustment to active provider with same tax I.D. original provider is no longer active.	Outstanding interest balance transferred to this provider number. Originally assessed provider number has the same tax identification number as this facility, but is no longer an active Medicaid provider.

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2248	Transfer of interest from manual adjustment to active provider with same tax I.D. original provider is no longer active.	Outstanding interest balance transferred to this provider number. Originally assessed provider number has the same tax identification number as this facility, but is no longer an active Medicaid provider.
2249	Adjustment write-off due to transfer of outstanding balance. No effect on claims payment summary items(columns a-i)	Transfer initiated via this write-off transaction to an active provider with the same tax identification number of the inactive, originally assess provider. Collection of monies due to Medicaid deemed uncollectable under the original provider number.
2250	Adjustment write-off generated due to provider refund. No effect on claims payment summary items(columns a-i)	Provider refunded monies due back to Medicaid program to satisfying outstanding principal, penalty, and interest receivable balances. Claim activity not adequate to satisfy balances.
2251	Adjustment write-off to reverse penalty assessments generated.	Adjustment write-off due generated for the following: provider refund - the date of receipt of refund was prior to the 31 day required timeframe for the assessment of penalty and interest. However, the month-end assessment of penalty and interest was processed prior to system disposition of refund. To rectify the timing issue between assessment and refund disposition, penalty and interest are written-off.
2252	Adjustment write-off to reverse interest assessments generated.	Adjustment write-off due generated for the following: provider refund - the date of receipt of refund was prior to the 31 day required timeframe for the assessment of penalty and interest. However, the month-end assessment of penalty and interest was processed prior to system disposition of refund. To rectify the timing issue between assessment and refund disposition, penalty and interest are written-off.
2253	Adjustment bad-debt write-off. No effect on claims payment summary items(columns a-i).	Write-off due to maximum aging of adjustment. Responsibility for collection of dollars due has been transferred to the division of medical assistance.
2254	One-time penalty adjustment assessed systematically. Assessment of 10% for aged (>30 days) balance due(principal only).	One-time penalty assessment on a system adjustment outstanding greater than thirty days old. Penalty is assessed on principal adjustment balance at a rate of 10% according to nc state statute.

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2255	One-time penalty adjustment assessed manually. Assessment of 10% for aged (>30 days) balance due (principal only).	One-time penalty assessment on a manual adjustment outstanding greater than thirty days old. Penalty is assessed on principal adjustment balance at a rate of 10% according to nc state statute.
2256	Interest assessment systematically on adjustment of 8% annually for aged (.30 days) balance due (principal penalty & interest)	Monthly interest assessed on system adjustment outstanding greater than thirty days. Interest is compounded annually at a rate of 8% and assessed on the cumulative balance of principal, penalty, and interest at month-end according to nc state statute until balance due is satisfied in full.
2257	Interest assessment manually on adjustment of 8% annually for aged (30 days) balance due (principal penalty & interest)	Monthly interest assessed on manual adjustment outstanding greater than thirty days. Interest is compounded annually at a rate of 8% and assessed on the cumulative balance of principal, penalty, and interest at month-end according to nc state statute until balance due is satisfied in full.
2258	Claims dollars applied to outstanding penalty adjustment balance	Provider has an outstanding penalty adjustment balance coming into this checkwrite. The provider had claims to pay this checkwrite which were in turn applied to the outstanding debt/adjustment.
2259	Claims dollars applied to outstanding penalty adjustment balance-satisfying 100% of adjustment.	Provider has an outstanding penalty adjustment balance brought forward from last checkwrite and claims paid this checkwrite satisfy the debt/adjustment 100%.
2260	Claims dollars applied to outstanding interest adjustment balance	Provider has an outstanding interest adjustment balance coming into this checkwrite. The provider had claims to pay this checkwrite which were in turn applied to the outstanding debt/adjustment.
2261	Claims dollars applied to outstanding interest adjustment balance-satisfying 100% of adjustment.	Provider has an outstanding interest adjustment balance brought forward from last checkwrite and claims paid this checkwrite satisfy the debt/adjustment 100%.
2262	Penalty payout	Payout of penalty dollars previously withheld. Amount added to paid claims amount". Circumstances/situations resulting in payouts: <ul style="list-style-type: none"> • Reversals of penalty/interest • Duplicate refund • Provider refund in excess of original payment.
2263	Interest payout	Payout of interest adjustment dollars previously withheld. Amount added to "paid claims amount". Circumstances/situations resulting in payouts: <ul style="list-style-type: none"> • Reversals of penalty/interest • Duplicate refund • Provider refund in excess of original payment.

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Paul R. Perruzzi, Director
Division of Medical Assistance
Department of Health and Human Services

John W. Tsikerdanos
Executive Director
EDS



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P.O. Box 300001
Raleigh, North Carolina 27622

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