



**December 27, 2019**

**Re: Medicare Payment System Changes**

**Dear Medicare Provider/Supplier:**

Effective February 14, 2020, CGS Administrators, LLC (CGS DME MAC Jurisdiction C) will be transitioning our financial accounting system from the DME Shared System (VMS) to the Healthcare Integrated General Ledger Accounting System (HIGLAS). This transition involves **only** our financial accounting system. **We will continue to use VMS for all of our claims processing activities.**

Implementation of the HIGLAS financial accounting system will enable the Centers for Medicare & Medicaid Services (CMS) to track Medicare payments and to accurately pay claims for over 40 million Medicare beneficiaries. The transition will also provide CMS with enhanced oversight of contractors' accounting systems, as well as access to more accurate, timely, and consistent data for decision-making and for performance evaluations.

### **CGS DME MAC Jurisdiction C HIGLAS Transition**

*The purpose of this letter is to explain the impact that the CGS Jurisdiction C HIGLAS transition will have on your organization's Medicare payments. It also provides important information regarding upcoming changes. In an attempt to make the transition as smooth as possible, we are providing you with this information to ensure minimal disruption in your Medicare payments.*

**We ask that you please take time to carefully read this information and that you share it with the appropriate staff in your organization.**

### **Introduction to HIGLAS**

Updated information regarding our HIGLAS implementation will be provided by accessing the CGS Jurisdiction C web site at <https://www.cgsmedicare.com/jc/index.html> and selecting *HIGLAS*. This same information will be issued in our electronic mail lists and published in our newsletter.

### **Temporary Waiver of the Claims Processing Payment Floor**

*CMS has approved CGS Jurisdiction C waiver request to reduce the payment floor for both paper and EDI claims. Beginning February 11, 2020 the payment floor will be reduced to 7 days for EDI claims and 14 days for paper claims. Beginning February 12, 2020, the payment floor will be reduced to zero for both EDI and paper claims, and payments will be released for claims that have already been approved for payment.*

This temporary reduction of the payment floor will result in payments being issued early (checks and Electronic Funds Transfers). This may give the appearance that your cash revenues have increased when in fact payments for some of your claims may have simply been made earlier than normal. Providers are encouraged to monitor their payments and make adjustments as necessary to prevent cash flow problems during the transition period.

### **HIGLAS Transition Activities**

On February 12, 2020, CGS Jurisdiction C will run our last VMS payment cycle and begin the HIGLAS transition.

- Waiver of the payment floor will result in some claim payments (checks and EFTs) being issued earlier than normal.
- Providers are encouraged to continue submitting claims as normal.
- Following our transition to HIGLAS, Jurisdiction C will resume normal cycles on February 18, 2020, at which time providers will also be able to retrieve their ERAs.
- Payments will not be issued on February 17-19, 2020 and providers may experience a gap in payment activity with some claims having already been paid early due to the waiver of the payment floor. Providers should plan accordingly.

**The HIGLAS dates provided in this letter are subject to change, please regularly monitor communications (listserv messages, DME Insider, etc.) from CGS Jurisdiction C and visit the HIGLAS section of the website for schedule updates.**

### **CHANGES SUPPLIERS WILL SEE AS A RESULT OF HIGLAS**

#### **Remittance Advice (RA) Change**

Electronic Remittance Advices (ERAs) and paper RAs will not be available during the transition. Distribution of Remittance Advices (RAs) will resume the week of February 17, 2020. The RA will display the Jurisdiction C two digit plan code JC in front of the claim Internal Control Number (ICN) as shown below.

(ICN Example: JC 20000-1800-12-000)

### **Claim Payments Less than \$1.00**

Current CMS instructions require carriers to hold claim payments of less than \$1.00 until another payment greater than \$1.00 is generated and then to combine the two payments. Payments less than \$1.00 will now be issued because HIGLAS functionality at this time will not suppress these payments.

### **Claims and Refund Payments Subject to a Hold, e.g., Do Not Forward (DNF), Bankruptcy, and Payment Suspension**

Providers may be placed on a hold due to a forwarding address, bankruptcy, and payment suspension. In HIGLAS, the holds will be applied at the claim level. Similar to the current system, holds will be applied before any overpayment netting has occurred. As a result, the held money will not be applied to eligible receivables until the hold has been released.

### **Claims and Refund Payments Subject to Third Party Payer (TPP) Offset, e.g., IRS Backup Withholding**

A provider payment may be subject to offsetting to a third party, such as the IRS. In the current environment, when a provider is subject to TPP, a provider check is pulled and the payment is remitted to the third party but no notification is provided on the RA. HIGLAS will communicate a TPP offset of a provider's payment on the provider's RA.

### **Payment Withholdings for Affiliated Suppliers**

In HIGLAS when two or more suppliers are affiliated and have the same Tax Identification Number (TIN), payments may be withheld from one supplier to collect another supplier's overpayments. Overpayment collections from affiliated suppliers shall begin once HIGLAS is implemented. If you believe the TIN associated with your supplier number is incorrect, please contact the National Supplier Clearinghouse (NSC) at (866) 238-9652 for assistance.

### **HIGLAS Impact on Claims Processing**

Our online system is available on Federal holidays and Jurisdiction C processes claims on some Federal holidays. There will be no change to provider payments because Jurisdiction C does not issue checks or EFTs on Federal holidays.

For further information, please visit our web site by selecting *HIGLAS* from our home page at <https://www.cgsmedicare.com/jc/index.html>. If you have any questions regarding the information contained in this letter, please contact our Provider Customer Service Call Center toll free at: 866-270-4909.