pennsylvania
DEPARTMENT OF HUMAN SERVICES

Electronic Payment Instructions for the Hospital Quality Care Assessment

Overview

Detailed instructions for electronic payment are provided in the following sections:

The following ACH instructions are written based on NACHA file guidelines utilized by the banking industry. These instructions should be shared with your financial institution or those persons within your organization who are responsible for initiating electronic payments.

ACH Introduction

The Pennsylvania Department of Human Services (Department) can currently support the use of multiple ACH transaction formats, also referred to as Standard Entry Class (SEC) codes. Acceptable SEC codes, for the purpose of payment towards the Hospital Quality Care Assessment, include PPD, CCD(+), and CTX. The primary difference between these codes is in the use of addenda records. An addenda record allows the initiator to include and format data within the ACH transaction in a way not permitted by the primary record. As will be defined in the corresponding sections which follow, the Department will require key data to appear in a pre-determined placement in order to facilitate the most expedient application of payment to your individual hospital's assessment account with the Department.

Special Note: The specified instructions included in following sections are intended to describe the Department's requirements needed to assure an accurate matching of payment to the appropriate hospital's assessment account held with the Department. While, these instructions operate within established ACH guidelines, they are themselves not required to conduct a successful ACH transmission. As such, a financially successful ACH transmission is not itself indicative of having provided a file sufficient for the Department's concerns regarding the application of individual payments.

ACH Bank Account Information

Data Element Description	Content
Beneficiary	Commonwealth of Pennsylvania
Receiving Depository Financial	Wells Fargo Bank
Routing Transit Number	0121000248
Receiver Account Number *	XXXXXXXXX1792
Type of Receiver Account	Checking
Receiver Tax ID	236003113

*Contact the Department at ra-pwhai@pa.gov and request the Department's account number. Please provide your contact information and phone number with this request. This information will only be provided to the CFO or Hospital Assessment Contact Person for the requesting hospital.

PPD and CCD Instructions (Zero Addenda Records)

PPD stands for "Prearranged Payment and Deposit." **CCD** stands for "Cash Concentration and Disbursement." These SEC codes operate very similarly to one another, sharing identical ACH file formats. While each of these codes can support a single addenda record, in some cases, the initiator may not be set up to support the use of an addenda record. The Department would prefer the use of an addenda record in order to identify key data. However, the provided instructions are to be followed when an addenda record cannot be used to appropriately reflect key hospital data.

File Record Type Code # - Description	Field # - Field Description	Position	Priority	Usage
5 - Batch Record	5 - Company ID	41-50	Optional	Enter 9-digit Hospital Tax ID only
6 - Detail Record	7 - Individual ID #	40-54	**Mandatory**	Enter hospital's 6 (or 7) digit CCN number only – as stated on all billing statements
6 - Detail Record	8 – Individual/Corporate Name	55-76	Optional	Enter first 22 characters of hospital's name - as stated on all hospital assessment billing statements

Optional data provisions are useful in allowing the Department to manually apply payment when mandatory data provisions fail to adequately provide the key data necessary to apply hospital payment by automated means. Failure to provide identifying data as described above, by priority, will result in a

delay in the application of hospital payment in corresponding degree. Refer to later section on page 6: *Timeframes for Department's Application of Your Payment.*

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CCD+ and CTX Instructions when Using <u>Single</u> Addenda Record

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CCD+ utilizes the same file format as that described in the preceding section for PPD and CCD. **CCD+** describes the same CCD record, only with the inclusion of a single addenda record.

On the other hand, **CTX** stands for "Corporate Trade Exchange" and utilizes a slightly different file format because it can support the use of up to 9,999 addenda records. CTX may, however, contain only one addenda record. This section addresses the scenario of utilizing <u>only one</u> addenda record for CTX.

SEC code	File Record Type Code # - Description	Field # - Field Description	Position	Priority	Usage
CCD or CTX	5 - Batch Record	5 - Company ID	41-50	Optional	Enter 9-digit Hospital Tax ID only
CCD or CTX	6 - Detail Record	7 - Individual ID # or Audit Number	40-54	**Mandatory / Optional**	Enter hospital's 6 (or 7) digit CCN number only – as stated on all billing statements. <u>Mandatory</u> unless addenda record is utilized properly.
CCD	6 - Detail Record	8 – Corporate Name	55-76	Optional	Enter first 22 characters of hospital's name as stated on assessment billing statements
CTX	6 - Detail Record	8a - # of Addenda Records	55-58	**Mandatory**	For use of single addenda record, enter: 0001. <u>Mandatory</u> with addenda record.
CTX	6 - Detail Record	8b - Company Name	59-74	Optional	Enter first 16 characters of hospital's name - as stated on assessment billing statements
CCD or CTX	7 - Addenda Record	3 - Payment Related Information	04-83	Mandatory	<u>See following table</u> for needed layout of this data segment

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<u>Single Addenda Record Data Segment Layout</u>

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Element Description	Length	Contents
Segment Identifier	3	'RMT'
Delimiter	1	'*' - asterisk
Qualifier	2	'IV'
Delimiter	1	'*' - asterisk
Unique Reference Number	6-7	Hospital CCN number only
Delimiter	1	'*' - asterisk
Identification	1-62	13-digit provider number and hospital name
Terminator	1	'\' - backslash

A sample data segment would look like this: **RMT*IV*399999*1003112230001ACMEHOSPITAL**
      <u>Note</u>:   An acceptable alternate format allows for separation of Provider ID and hospital name:
RMT*IV*399999*1003112230001*ACME HOSPITAL

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CTX Instructions for <u>Multiple</u> Addenda Records

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As noted in the previous section, CTX can support up to 9,999 addenda records per detail record. When utilizing multiple data segments, these data segments are listed 80 characters at a time within the 'Payment Related Information' field across the necessary number of addenda records in a free-form basis. In this way, CTX allows the initiator to specify multiple, individual payments within a single transaction detail.

In the case of multiple addenda records, the instructions regarding the main records of the NACHA ACH file remain largely consistent with what is described for CTX in the first table of the previous section, *CCD+ and CTX Instructions when Using Single Addenda Record*. As a result, only the layout regarding the addenda records are different, and this differing layout is what will be demonstrated in this section.

The data segment described below is the layout expected by the Department when multiple payments across different hospitals are initiated under a single transaction detail. Likewise, the layout described below would be appropriate for any hospital whose typical practice is to convert all ACH file transmissions into an 820 format through the use of the free-form capability of addenda records. This conversion allows the data to be utilized with individual hospital databases.

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Multiple Addenda Record Data Segment Layout

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Element Description	Length	Contents
Segment Identifier	3	'RMR'
Delimiter	1	'*' - asterisk
Qualifier	2	'IV'
Delimiter	1	'*' - asterisk
Unique Reference Number	6-7	Hospital CCN number only
Delimiter	1	'*' - asterisk
Payment Action Code	2	**<OPTIONAL>**
Delimiter	1	'*' - asterisk
Monetary Amount	1-18	Payment Amt. -include decimal for partial dollar amt
Delimiter	1	'*' – asterisk
Tot. Invoice or Credit/Debit Amt.	1-18	**<OPTIONAL>**
Delimiter	1	'*' - asterisk
Discount Amount Taken	1-18	**<OPTIONAL>**
Terminator	1	'\' - backslash

A sample data segment would look like this: **RMR*IV*399999**212503.51**
where the payment amount for hospital CCN 399999 is $212,503.51

While it is understood that a variety of different data segments may be in use for a particular CTX detail record, the RMR segment described above reflects how the Department expects payment data to be

displayed amidst potentially numerous data segments within multiple addenda records for the same detail record.

ACH Pre-Note and Test Transmissions

You may initiate a pre-notification (or pre-note) test to validate the Department's bank transit number, bank account number, and payer information. It is a one-time test (unless you change banks or accounts). A pre-note test is a zero-dollar transaction and should include all fields in each record. A pre-note test essentially tests the success of the ACH transmission between banking institutions. The results of a pre-note are infrequently reported to the Department by Wells Fargo because such tests alone do not represent actual account activity.

In test ACH cases where you may wish to receive feedback or confirmation from the Department, you are encouraged to submit a test transmission of a nominal payment amount. A test amount of $0.01 or $1.00 will be reported and applied just as any larger payment amount. If there are any concerns or doubts as to whether or not your ACH transmission is in compliance with the ACH instructions outlined in earlier sections of this document, a test transmission of a nominal payment amount will yield the most informative results. You may follow up with the Department on any ACH test transmissions by emailing ra-pwhai@pa.gov   and citing the hospital CCN to which your inquiry relates.

Wire Transfers

The wire transfer method of electronic payment is discouraged by the Department for the purposes of payment of quarterly hospital assessment amounts. Compared to the ACH method, wire transfers provide to the Department very limited identifying information with which to credit wire payment to the appropriate hospital account. Unlike the ACH method, wire transfers do not permit for the reversal of a transmission when transaction errors are identified within 5 business days of the transmission.

The Department will not return payment received via wire transfer when sent in error or when insufficient data is received to be able to accurately credit payment to the appropriate hospital account.

If a hospital elects to pursue payment via wire transfer despite the inherent limitations of this payment method, effort needs to be made to provide critical identifying information within this limited format. For wire transfers, the following optional data elements are reported to the Department as free-form addenda: ORG; RFB; OBI; and REF. Of these elements, either RFB or OBI can be used to supply addenda account information. As a result, either the **RFB** or **OBI** element should be used to report the 6 (or 7) digit hospital CCN appearing on the billing statement to which the wired payment corresponds.

To prevent any confusion over the receipt of a wire transfer, the hospital should send an email to the Department a day or two in advance of the wire transfer to confirm the amount of the transfer; the anticipated date of the transfer; the CCN; and the hospital name for which the payment is intended to be applied. The email should be addressed to ra-pwhai@pa.gov   with a subject line of *Notice of Upcoming Wire Transfer*.

Lastly, wire transfers require a different routing number than the one displayed on page 2 for ACH. However, all other account information is consistent with what is reflected at the top of page 2.

Routing Transit Number for Wires	121000248

Timeframes for Department's Application of Your Payment

To be able to apply and post payment by individual hospital, the Department is bound by certain dependencies with the banking industry. Before the Department can apply payment to a hospital's assessment account, Wells Fargo Bank must first report account activity to the Department, validating completion of electronic payments for each business day. Daily account activity is retrospectively reported on the following morning. Furthermore, the processing of electronic payments occurs between financial institutions only on non-holiday business days Monday through Friday.

Based on results from the first billing and payment period, the following tables display the typical timeframes that can be expected according to electronic payment method.

ACH Payment Timeframes

Business Day 1		Hospital initiates ACH payment with its financial institution.
Business Day 2		ACH transmitted between hospital financial institution and the Department's bank (Wells Fargo).
Business Day 3		Wells Fargo reports prior business day's account activity to Department in the morning when payment is then systematically applied to hospital's Hospital Assessment account, credited for day of actual funds transfer. Payment Receipt Statement available on web portal after 10:30 AM.
Business Day 4		If critical identifying data is not properly positioned, per the instructions on earlier pages 2-4, payment will be manually applied if sufficient matching data exists. Payment to be applied as though received one business day after actual funds transfer. Payment Receipt Statement available on web portal after 10:30 AM.
Business Day 5 +		Payment to be manually applied as proper identifying data can be confirmed.
Business Day 6		Final day to perform reversal of payment if an error is discovered.

Wire Transfer Timeframes

Business Day 1		Hospital initiates Wire payment with its financial institution. Payment transferred to Department's bank (Wells Fargo).
Business Day 2		Wells Fargo reports prior business day's account activity to Department in the morning. Because wire transfers cannot be automatically matched to an appropriate hospital account, an added day is needed to apply payment.
Business Day 3		Payment will be manually applied if sufficient matching data exists (including that which is provided via a confirmation email – see page 5). Payment will be applied as though received one business day after actual funds transferred. Payment Receipt Statement available on web portal after 10:30 AM.
Business Day 4 +		Payment to be manually applied as proper identifying data can be confirmed.

For either electronic payment method, what this basically means is that payments should be initiated a minimum of 1-2 business days prior to any payment due date, provided that the electronic payment

record complies with the instructions outlined on pages 2-4 of this document. At minimum, the Department can only apply ACH payment the morning following receipt of funds but will do so for the day funds were actually received, in cases when earlier ACH payment instructions have been followed.

Please share this information with your financial institution so that you may be better advised when to initiate electronic payment when weekend days and/or (FED-observed) holidays may influence compliance with a targeted payment date.

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Error Avoidance

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To avoid errors in the Department's application of payment please adhere to the following steps:

1) **Accurately relate the Department's Bank Account information and ACH Transactional Record Detail instructions to your financial institution.** The Record Detail instructions are not necessary according to ACH industry standards. You must direct your financial institution to adhere to these instructions when sending its ACH payment file to insure payment is accurately applied, upon deposit into the Department's Wells Fargo bank account.

2) **Review the online Payment Receipt Statements posted to your hospital's Hospital Assessment Web Portal as the Department applies payment to accounts on a daily basis.** Directly following the page of your Net Inpatient Revenue (NIR) review on your Web Portal, a new page was added that allows the user to view issued notices and Statements of Payment Receipt. A Statement of Payment Receipt will be created for every individual payment as it is received and applied to your hospital's account. ACH payments should be applied and posted within 24-hours of bank receipt. This online Payment Receipt feature should be utilized to confirm proper receipt of payment. It is strongly recommended that each hospital consult the online Payment Receipt within a few days of an electronic payment transmission for timely confirmation.

3) **Initiate an ACH reversal (of payment) through your financial institution within 5 business days, if unable to confirm the Department's receipt of your ACH payment using online Receipt Statements.** An ACH reversal is any hospital's best and fastest recourse to correct an error in ACH payment receipt. However, banking industry standards place a statute of limitations on the timeframe between when an ACH payment was initiated and when the reversal for that payment may be executed. Check with your financial institution to determine the exact time limit followed to perform an ACH reversal. It is for this reason why the online Payment Receipt Statement should be consulted shortly after initiating an ACH payment transmission. When performing an ACH reversal, the reversal amount must equal the original payment amount. (**NOTE**: Any Reversal of Payment will appear to the Department as an unpaid balance once the Reversal is processed. For this reason, if a reversal is performed on a payment which was accurately applied to a hospital's account by the Department and the reversal relates to monies owed after the corresponding due date, the hospital will be considered to be delinquent in payment and subject to applicable interest and penalties.)

4) **Contact the Department if you have experienced a significant delay or error with the application of your ACH payment.** If you have confirmed with your financial institution that an ACH payment transaction to the Department's Wells Fargo bank account was successfully performed without payment posting to your hospital's Assessment account with the Department within 2-3 business days of payment, contact the Department with details (dates,

amounts, hospital info, etc.) at email address ra-pwhai@pa.gov . Contact is encouraged either before or after any reversal takes place if the cause of the error remains unknown.
(**NOTE**: ACH transactions are only performed by the banking industry on non-holidays during the normal five-day business week. As a result, the Department is only able to process ACH payments received on those days. Payments received during the weekend or on an industry-recognized holiday will not be processed by the financial institution until the next business day. Please weigh this information against upcoming due dates when coordinating electronic payment transmission with your financial institution.)

Additional Considerations / Reminders

The following items should be given consideration with respect to the payment phase of the Hospital Assessment.

1) Any overpayment received will be credited to your account and applied to future quarters' amounts as they come due. The Department is prepared to refund overpayments only in cases when a hospital's lawful participation in the Assessment has ceased at a time when an overpayment exists on that hospital's account.

2) A hospital is still responsible to pay on time any assessment charges that have been billed, regardless of whether a decision on a NIR dispute review or formal appeal is pending. Failure to comply with timely payment for this or any other reason will result in delinquent payment and the accrual of any applicable interest and penalties.

3) The Department's processing of electronic payments is subject to and limited by the operational business schedule recognized by the FED and banking industry. Schedule your payments accordingly to meet specified due dates, bearing in mind the timeframes discussed on page 6.

4) Any payment received will be applied to the oldest charges on your account first, with any additional monies then being applied to the next oldest charge. For example: if two quarters' assessment is owed when payment is received, payment will first be applied until the first quarter's assessment is satisfied. Any payment received in excess of the first quarter will be applied until the second quarter is satisfied. If any excess payment remains, the balance will be counted as an overpayment on the account and will be applied as future billings come due.

Regarding the setup of ACH payment for the Assessment, the instructions specified earlier in this notification are not necessary according to industry standards to send a successful ACH. These earlier instructions regarding electronic payment are, however, very necessary for use by the Department to properly apply your payment for the purposes of this Assessment.

Please share this information with your financial institution and validate that necessary data is being properly submitted on the electronic payment record when transmitted to the specified Wells Fargo bank account.