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MEMORANDUM

**DATE:** May 6, 2011

**TO:** Children's Health Insurance Program (CHIP)/Fiscal Administrators

**FROM:** Director  
Accounting Management Group  
Office of Financial Management

**SUBJECT:** Survey of CHIP Payables and Receivables

The Centers for Medicare & Medicaid Services (CMS) prepared its fiscal year (FY) 2010 Annual Financial Report as required by the Public Law 103-356, (the Government Management Reform Act of 1994), section 3515. The CMS accrued an estimate of 1) an accounts payable for the services rendered by the CHIP providers as of the end of the fiscal year, which have not yet been reported on the Quarterly Statement of Medicaid Expenditures, the CMS-21 (Medicaid program portion), CMS-64.21U and CMS-64.21, and 2) an accounts receivable for all amounts due to the states from various sources, excluding the Federal Government. The CMS reported a net estimate of \$415 million for FY 2010.

In April 2010, we asked each state and territory to complete Form CMS-10180, the Survey of CHIP Payables and Receivables, and to complete a state questionnaire regarding the estimate. We are again asking each state and territory to prepare the Form CMS-10180 based on your final audited payable and receivable numbers that are reported on your most recently audited Comprehensive Annual Financial Report (CAFR). **Do not report amounts owed to or due from CMS related to deferrals and disallowances that exist as of the dates indicated in the survey.**

The Form CMS-10180 is available on the IBNRS system which is used collect the survey information. The IBNRS system is a web-based application which can be accessed via the internet at <http://65.220.21.7/IBNR>. A hard copy of the State IBNRS User Guide can be downloaded by accessing <http://65.220.21.7/ibnr/help/userguidedownload.htm>.

**The IBNRS system will be available for input beginning May 9, 2011, for states and territories to fill out and submit their surveys. The IBNRS system will close on June 6, 2011. The surveys must be submitted between May 9 and June 6, 2011.**

Incurred but not yet reported (IBNR) payables result from CHIP medical services incurred but not paid as of September 30, the Federal Government's fiscal year-end. The CHIP amount is the net of unreported expenses incurred by the states less amounts owed to the states for overstated claims and drug rebates.

After each state and territory completes their survey, the CHIP IBNR state questionnaire will be required to be completed, prior to certification of the entire submission. The CHIP IBNR state questionnaire directly follows the survey and each state and territory will be prompted to answer the questions. The CMS utilizes the state questionnaire to determine if there were any "extenuating factors" that may affect the CHIP IBNR calculation. States and territories will be able to fill out the state questionnaire and submit their responses electronically. The CMS Regional Office will be reviewing the survey and responses to the questions for reasonableness and accuracy. **The CHIP IBNR state questionnaire will also be due June 6, 2011.**

States and territories should document its process for identifying CHIP IBNR payables. Work papers should be used to document and support any decisions drawn relating to the process used and the payables reported on the survey. Work papers prepared by the states and territories should be available upon request in the event that CMS Central Office, CMS Regional Office staff, or other parties on behalf of CMS, come onsite to review state CHIP IBNR documentation.

For specific questions regarding the survey, you may contact Michele Myers at 410-786-7911, or [Michele.Myers@cms.hhs.gov](mailto:Michele.Myers@cms.hhs.gov).

/s/

Maria C. Montilla, CPA

cc:

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