



DATE: March 31, 2017

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

FROM: Director
Accounting Management Group
Office of Financial Management

SUBJECT: Annual Survey of CHIP Payables and Receivables & Questionnaire

The Centers for Medicare & Medicaid Services (CMS) prepared its fiscal year (FY) 2016 Annual Financial Report as required by the Public Law 103-356, (the Government Management Reform Act of 1994), section 3515. CMS estimated 1) an accounts payable for the services rendered by CHIP providers as of the end of the fiscal year, which have not yet been reported on the Quarterly Statement of Medicaid Expenditures, Form 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. This estimate is referred to as Entitlement Benefits Due and Payable or incurred but not yet reported (IBNR). 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. CMS reported a net estimate of \$978 million for FY 2016.

In April 2016, 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 IBNR. 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 and questionnaire are available on the Incurred But Not Reported Survey System (IBNRS) which is used to collect the required information. The IBNRS is a web-based application which can be accessed via the internet at [the IBNRS webpage](#). A hard copy of the State IBNRS User Guide can be downloaded by accessing [Help on the IBNRS webpage](#).

In addition, the CHIP IBNR state questionnaire is 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. 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 Offices will be reviewing the survey and

responses to the questions for reasonableness and accuracy. ***It is critical to the review process that all responses be as detailed and descriptive as possible.***

States and territories should document the 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.

The IBNRS will be available for input beginning Monday, April 3, 2017, for states and territories to fill out and submit their surveys and questionnaires. The IBNRS will close on Wednesday, May 3, 2017. The surveys and questionnaires must be submitted between April 3 and May 3, 2017.

For specific questions regarding the survey, you may contact Beverly Boher at 410-786-7806, or Beverly.Boher@cms.hhs.gov.

/s/
Maria Montilla, CPA

cc:

Lataysheia Lance, Director, Division of Financial Reporting and Policy

Kristin Fan, Center for Medicaid and CHIP Services

All Associate Regional Administrators for Medicaid and CHIP