



DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of Inspector General
Office of Audit Services
REGION IV
61 Forsyth Street, Room 3T41
Atlanta, GA 30303-8909

DEC 31, 2001

Memorandum

Date: Regional Inspector General
From: for Audit Services, Region IV

Subject: The President's Council on Integrity and Efficiency Debt Collection Initiative at the Centers for Medicare & Medicaid Services Region IV Regional Office (A-04-01-03000)
Rosc Crum-Johnson, Regional Administrator
To: Centers for Medicare & Medicaid Services

We have attached two copies of our report on the United States (U.S.) Department of Health and Human Services (HHS), Office of Inspector General (OIG), Office of Audit Services' (OAS) report entitled, *The President's Council on Integrity and Efficiency Debt Collection Initiative at the Centers for Medicare & Medicaid Services Region IV Regional Office*.

We reviewed the Centers for Medicare & Medicaid Services' (CMS) Regional Office (RO) accounts receivable balances reported on their financial reports for the period ending September 30, 2000 to determine the amount and collectibility of non-tax delinquent debt that exists at CMS and to assess the RO's management activities to ensure that pro-active measures are taken to collect the delinquent debt before it is referred to the U.S. Department of Treasury for collection.

In your written comments to our draft report, you and your staff fully concurred with 7 of the 10 recommendations, partially concurred with 2 and did not concur with one that we listed on pages 8 and 9 of the attached report. We appreciate the corrective action you and your staff have taken or agreed to take on those recommendations that they do concur. Also, as you requested in your comments, we acknowledged, as your staff pointed out, that they had already identified and corrected the majority of the findings in our report. We encourage you and your staff to take corrective action on those remaining recommendations with which they do concur but have not yet taken corrective action. We have incorporated a summary of your comments in the report and have attached your entire response as Appendix F.

We appreciate the cooperation your staff provided to us during this audit. They contributed greatly toward the successful completion of this audit.

In accordance with the principles of the Freedom of Information Act (Public Law 90-23), OIG, OAS reports issued to the Department's grantees and contractors are made available to members of the press and general public to the extent information contained therein is not subject to exemptions in the Act which the Department chooses to exercise. (See 45 Code of Federal Regulations Part 5.) As such, within 10 business days after we issue the final report, we will post it on the World Wide Web at <http://www.hhs.gov/progorg/oig>.

Page 2 – Rose Crum-Johnson

We would appreciate your views and the status of any further action taken or contemplated on our recommendations within the next 60 days. Please respond to the HHS Action Official named below.

To facilitate identification, please refer to the Common Identification Number (CIN) A-04-01-03000 in all correspondence relating to this report.


Charles J. Curtis

Attachment

Direct Reply to HHS ACTION OFFICIAL:

Jeff Chaney
HHS/CMS/CO/OFM
N3-11-07, North Building
7500 Security Boulevard
Baltimore, Maryland 21244-1850

Department of Health and Human Services

**OFFICE OF
INSPECTOR GENERAL**

**THE PRESIDENT'S COUNCIL ON
INTEGRITY AND EFFICIENCY DEBT
COLLECTION INITIATIVE AT THE
CENTERS FOR MEDICARE &
MEDICAID SERVICES REGION IV
REGIONAL OFFICE**



**JANET REHNQUIST
Inspector General**

**DECEMBER 2001
A-04-01-03000**



DEC 31, 2001

Memorandum

Date:
Regional Inspector General
From: for Audit Services, Region IV

Subject: The President's Council on Integrity and Efficiency Debt Collection Initiative at the
Centers for Medicare & Medicaid Services Region IV Regional Office (A-04-01-03000)

To: Rose Crum-Johnson, Regional Administrator
Centers for Medicare & Medicaid Services

This report provides you with the results of our audit entitled, *The President's Council on Integrity and Efficiency Debt Collection Initiative at the Centers for Medicare & Medicaid Services Region IV Regional Office*.

We reviewed the Centers for Medicare and Medicaid Services' (CMS) Region IV Regional Office (RO) accounts receivable balances reported on their financial reports (R751) for the period ending September 30, 2000 to determine the amount and collectibility of non-tax delinquent debt that exists at CMS and to assess the RO's management activities to ensure that pro-active measures are taken to collect the delinquent debt before it is referred to the United States Department of Treasury for collection.

To complete our audit objectives, we reconciled the accounts receivable balances reported on the CMS R751 to the subsidiary records for the period ending September 30, 2000. We sampled case files containing documentation supporting the accounts receivable balances in two general categories: non-Medicare Secondary Payer (MSP) and MSP. For non-MSP, a nationwide statistically selected sample of 450 accounts receivable transactions were tested, of which, 153 were in Region IV. For MSP, we tested 30 judgmentally selected accounts receivable transactions.

The accounts receivable balances CMS RO reported on the R751 for financial statement purposes for the period ending September 30, 2000 for Part A [non-MSP, MSP and Currently Not Collectible (CNC)] accounts receivable were \$25,120,726 in principal and \$19,531,898 in interest and the balance for Part B (non-MSP, MSP and CNC) was \$161,654,066 in principal and \$89,712,836 in interest. When we reconciled these accounts receivable balances with the subsidiary records, we determined that the CMS R751 for Part A non-MSP was understated by \$102,927,298 (see Appendix A). When reconciling the Part B non-MSP accounts receivable balances we determined that the receivables were overstated by \$2,608,769 (see Appendix B). We also determined that the CMS R751 for Part A MSP balances were overstated by \$3,516 in principal and \$3,313 in interest.

From our tests of the 153 statistically selected Part A and Part B non-MSP accounts receivable transactions, we determined the following:

- 135 accounts receivable balances existed and were supported at September 30, 2000;
- 18 accounts receivable balances totaling \$1,042,160 in principal and \$695,622 in interest were unsupported; (see Appendix C) and
- 24 accounts receivable balances had a portion of the balance held in escrow or offsets collected which caused an overstatement of \$1,347,701 (see Appendix B).

We concluded from our review of the 135 supported Part A and Part B non-MSP accounts receivable balances that the RO did not follow the appropriate procedures required by the Debt Collection Improvement Act (DCIA) of 1996. We determined that the RO did not issue demand letters on 107 of the 135 accounts receivable balances after receiving the balance from the contractor (see Appendix D). In addition, we noted that status codes for three of the accounts receivable balances totaling \$201,186 did not agree with the supporting documentation (see Appendix C). We also determined inaccurate interest had been applied to 3 Part B accounts receivable balances which resulted in an overstatement of \$357 in interest (see Appendix C).

Our tests of the 30 Part A and Part B MSP accounts receivable balances showed that 27 of the accounts receivable balances were recorded, adequately supported, complete, properly valued and existed. However, we determined that one Part B MSP accounts receivable balance (\$2,832) was unsupported (see Appendix E) and two Part A MSP accounts receivable balances (\$4,114) were improperly transferred to the RO (see Appendix E).

We recommend the RO:

1. promptly reconcile their support before reporting the amounts on the R751, RC751 and the RM751;
2. increase the Part A non-MSP accounts receivable balances by \$102,927,298 for 157 unrecorded accounts receivable balances;
3. reduce the Part B non-MSP accounts receivable balances by \$2,608,769;
4. reduce the Part A MSP accounts receivable balance \$3,516 in principal and \$3,313 in interest;
5. reduce the Part B non-MSP accounts receivable balance to reflect the 18 unsupported accounts totaling \$1,042,160;
6. establish a system of internal controls that will provide adequate and timely tracking of its collection activities, including sending demand letters, to ensure compliance with the DCIA requirements;

7. change the status code for the three accounts receivable balances on the Part B 751 totaling \$201,186 to agree with the supporting documentation that shows the revised status;
8. reduce the overstated Part B non-MSP accounts receivable interest to reflect the three accounts receivable interest balances totaling \$357;
9. reduce the MSP accounts receivable balance to reflect the unsupported accounts receivable balance totaling \$2,832; and,
10. transfer two MSP accounts receivable balances for \$4,114 back to the contractor.

In their written comments to our draft report, CMS staff fully concurred with 7 of the 10 recommendations, partially concurred with two and did not concur with one that we included on pages 8 and 9 of the attached report. The CMS staff advised us that they had already identified and taken corrective action on the majority of the findings prior to the notification of our audit. We applaud CMS staff for taking corrective action they have already taken and encourage them to continue to take the corrective action they have agreed to take on those recommendations that they do concur but have not taken corrective action. We have incorporated a summary of your response in the report and have attached your entire response as Appendix F.

INTRODUCTION

BACKGROUND

Medicare accounts receivable primarily represent funds owed to CMS, formerly the Health Care Financing Administration, due to: (1) Medicare overpaying providers for a variety of reasons; and (2) other entities who should have paid the claims as primary insurers when Medicare was the secondary payer. The first overpayment category is referred to as non-MSP and the second overpayment category is commonly called MSP.

The CMS uses the “Contractor Financial Reports” (CMS 750/751) to capture and report accounts receivable information from the Medicare contractors. Medicare contractors who transfer accounts receivable transactions to the RO must record the accounts receivable and any interest as a write-off/transferred amount on the CMS 751. For those RO accounts receivable transactions transferred from the Medicare contractors, the Medicare contractors must distinguish on the CMS 751 between accounts receivable transactions recorded on the CMS’ Provider Overpayment Report (POR)/Physician Supplier Overpayment Report (PSOR) and those not recorded on CMS’ POR/PSOR. In either case, the accounts receivable transactions transferred to the RO by the Medicare contractors should no longer be in the ending accounts receivable balance on the CMS 750/751.

Non-MSP Accounts Receivable Balances

The contractors are responsible for managing, including reporting and collecting, the majority of the accounts receivable balances. The CMS' Central Office (CO) and ROs are responsible for managing the remaining balances. For financial reporting purposes, the CMS' accounts receivable balances are taken from the Regional Office Status of Accounts Receivable Reports (CMS Forms R751 A/B, RC751 A/B and RM751 A/B). In addition to these financial reports, CMS utilizes the POR/PSOR to report accounts receivable activity for the following locations: RO, Office of Inspector General/Office of Counsel to the Inspector General (OIG/OGC); Department of Justice (DOJ); and Central Office/Debt Collection Center (CO/DCC). The location status code on the POR/PSOR indicates the location of the receivable.

The CMS utilizes the POR system to record and track amounts associated with Medicare Part A accounts receivable and the PSOR system to record and track Medicare Part B accounts receivable. The CMS relies on these two systems as a uniform method for tracking and reporting overpayments and receivables data and also for compiling information for managements' use.

MSP Accounts Receivables

Until 1980, Medicare was the primary payer for all health care costs for beneficiaries eligible for Medicare benefits. However in 1980, Congress passed a series of statutory provisions that require private insurers to pay in certain instances the claims for health services provided to covered beneficiaries before the contractors pay them on behalf of Medicare. As a result of these provisions, Medicare is the secondary payer to the insurers for the working aged (employed Medicare beneficiaries and their spouses who have insurance through their employment), for beneficiaries with either liability or automobile insurance and for those with end-stage renal disease.

In practice, Medicare contractors either should not pay claims as primary insurer when known MSP situations exist or should pay claims as primary and subsequently seek recovery from the other insurer, when they are discovered. The contractors should account for the existing MSP debts in a database and report the balances to CMS on the CMS 751 on a quarterly basis.

Managing Accounts Receivable Balances

Managing the accounts receivable balances are a joint responsibility between the Medicare contractors and the CMS' RO and CO. However, the RO is responsible for collecting Medicare provider, supplier and physician overpayments Medicare contractors have been unable to collect.

Medicare contractors are responsible for managing the majority of the accounts receivable balances for CMS. The CMS' ROs and CO is jointly responsible for managing the remaining accounts receivable balances. These balances are taken from the: (1) POR system; (2) PSOR system; and (3) RO Status of Accounts Receivable Reports (CMS Forms R751A and R751B).

The RO's responsibilities include but are not limited to the following:

- monitoring and evaluating the contractors' overpayment activities;
- assuring the contractors refer the Part A and B overpayment cases with no activity for more than 120 days to the RO for further processing;
- reviewing and making a determination on requests for extended repayment schedules of more than 12 months but no more than 36 months;
- taking aggressive collection action on uncollected accounts;
- ensuring the contractors' overpayment calculations are correct and have followed appropriate procedures; and,
- sending demand letters or personally contacting debtors.

OBJECTIVES, SCOPE AND METHODOLOGY

Our primary audit objective was to evaluate the amount and collectibility of non-tax delinquent debt that exists at CMS. Specifically, we were to assess the RO's management activities to ensure that pro-active measures are taken to collect the delinquent debt before it is referred to the Treasury for collection. We were also to evaluate CMS' efforts to reduce losses arising from inadequate debt management activities.

The specific objectives were to determine whether:

- (1) all debt transferred to the RO was supported;
- (2) appropriate procedures were in place at the RO to timely recover debts in accordance with the DCIA of 1996;
- (3) all MSP and Non-MSP (except POR/PSOR) transferred debt at the RO was supported; and,
- (4) the Medicare contractors and the CMS RO were in compliance with the MSP Write Off/Adjustment of settlement related accounts receivables.

We conducted our audit in accordance with generally accepted government auditing standards. These standards require that we plan and perform our audit to obtain reasonable assurance that CMS' financial statements are free of material misstatement and that CMS has complied with applicable laws and regulations.

We performed our audit from January 2001 through September 2001 at CMS RO in Atlanta, Georgia and the OAS office in Atlanta, Georgia.

To accomplish our objectives, we did the following:

1. Reviewed applicable laws and regulations;
2. Interviewed CMS officials;
3. Reconciled accounts receivable balances reported on the quarterly CMS R751, RC751 and the RM751 to source documentation;
4. Tested 153 statistically selected Part A and Part B non-MSP accounts receivable transactions to determine whether appropriate procedures were in place at the RO to timely recover debts in accordance with the DCIA; and
5. Judgmentally tested 30 Part A and Part B MSP accounts receivables that were transferred to the RO to determine whether the Medicare contractors and the CMS RO were in compliance with the MSP Write Off/Adjustment of settlement related accounts receivables.

The 153 statistically selected Part A and Part B non-MSP accounts receivable were part of a nationwide statistically selected sample of 450 cases. Our headquarters will issue a report with projections based on the 450 cases.

We issued a draft report to CMS' Region IV Regional Office on October 12, 2001 and invited them to comment on the findings and recommendations in the report. We summarized their comments in the opening summary of the report and at the end of the Recommendations section of the report. We have also included the entire text of their comments as Appendix F.

FINDINGS AND RECOMMENDATIONS

At September 30, 2000, the non-MSP accounts receivable balances reported by the CMS Region IV RO on the R751 for Part A were \$2,781,929 in principal and \$697,686 in interest. The Part B non-MSP accounts receivable balances reported by the RO on the R751 were \$110,463,845 in principal and \$49,050,284 in interest. For the CNC debt, the accounts receivable balances reported on the RC751 for Part A were \$1,260 in principal and the balances reported for Part B were \$26,976,660 in principal and \$21,510,701 in interest.

For MSP, the accounts receivable balances reported by CMS on the RM751 for the period ending September 30, 2000 for Part A were \$22,337,537 in principal and \$18,834,212 in interest and for Part B were \$24,213,561 in principal and \$19,151,851 in interest.

The 153 statistically selected Part A and Part B non-MSP accounts receivable balances totaled \$21,157,791. The 30 judgmentally selected Part A and Part B MSP accounts receivable balances totaled \$1,047,350.

Part A and Part B Non-MSP Accounts Receivable Balances

We determined that 135 of the 153 Part A and Part B non-MSP accounts receivable balances existed and were supported at September 30, 2000. However, we found the remaining 18 accounts receivable balances totaling \$1,042,160 were unsupported and we were unable to determine the accuracy of the balance of these 18 accounts (see Appendix C).

In addition, we concluded the RO did not follow the appropriate procedures required by DCIA in managing the 135 supported Part A and Part B non-MSP accounts receivable balances. We determined that the RO did not send demand letters on 107 of the 135 accounts receivable balances after receiving the balance from the contractor (see Appendix D). Of the 28 accounts that the RO mailed demand letters to the provider, the RO had referred only 2 of these accounts to Treasury for cross servicing. The RO received confirmation that Treasury accepted these two accounts after our audit period. However, subsequent to our audit period, we noted that the RO had sent the required demand letter for some of the 107 accounts receivable balances.

We also determined that 24 of the 135 accounts receivable balances were overstated by \$1,347,701 due to an error in the computer program that downloaded tracking and payment information for CMS' accounts receivable balances. The computer program did not include any payments, amounts held in escrow, or offsets from previous quarters. The \$1,347,701 overstatement was noted in our reconciliation of the Part B non-MSP accounts receivable balances and it is a portion of the overall computer programming error totaling \$5,034,823. The CMS RO officials advised us that the computer programming error has been corrected and the necessary adjustments to the accounts receivable balances reported on the Part B R751 have subsequently been made.

Finally, we noted three case files where the status code did not agree with supporting documentation (see Appendix C). Our review of the three case files indicated the provider was in bankruptcy and the PSOR indicated the three accounts receivable balances as being transferred. (The status codes are useful in noting when an accounts receivable balance is required to follow the DCIA regulations.)

In addition to the tests described above, we determined that the proper interest rate was applied for 150 of the 153 Part A and Part B non-MSP accounts receivable balances that we tested. Of the remaining three accounts receivable balances, two accounts had an incorrect interest rate applied and one account was a duplicate which overstated the interest balance by \$357 (see Appendix C).

Part A and Part B MSP Accounts Receivable Balances

We determined that 27 of the 30 Part A and Part B MSP accounts receivable balances were in compliance with the MSP Write Off/Adjustment of settlement-related accounts receivable. However, we concluded one Part B MSP accounts receivable balance totaling \$2,832 was unsupported (see Appendix E). In addition, a contractor improperly transferred two accounts receivable balances totaling \$4,114 to the RO (see Appendix E). Prior to our audit, the RO became aware of the two improper transfers and had subsequently transferred these balances back to the contractor.

Part A and B Non-MSP Reconciliation Problems

When reconciling the RO's R751 to the supporting documentation, we concluded the Part A R751 and RC751 were understated by \$102,927,298 at September 30, 2000. The understatement occurred because the RO did not include the location codes for accounts located at the Department of Justice (DJ4) and General Council (GC4) on the R751 (see Appendix A). We noted that the RO corrected this understatement on the R751 as of December 31, 2000.

When reconciling the RO's R751 and RC751 to the supporting documentation, we concluded the Part B non-MSP accounts receivable balances were overstated by \$2,608,769 at September 30, 2000. This overstatement occurred due to the following reasons: (1) an overstatement of \$5,034,823 occurred due to a computer programming error; and (2) various accounts being either overstated or understated resulting in a net understatement of \$2,426,054 (see Appendix B). The following variances detail the overstatement of the Part B R751:

- The support contained errors on the dollar amounts. The computer program used did not recognize any recoupments made in previous quarters. This created an overstatement of \$5,034,823.
- One account was handwritten on the RO support; however, it was not included in the final total creating an understatement of \$5,394.
- Two accounts for \$823,012 and \$411 were not included in the final total creating an understatement of \$823,423.
- One account was reported at negative \$1,619,149 and it should have been \$4,760. This created an understatement of \$1,623,909.
- Two accounts for \$62,555 and \$45,009 were included and should not have been. The location code for these two accounts was GCC, which is a CO location code. This created an overstatement of \$107,564.
- Two accounts for \$1,879 and \$7,230 were listed twice on the RO support. These were duplicate accounts receivable and created an overstatement of \$9,109.

- One account for \$90,000 was inadvertently left off the 751 creating an understatement.

We noted that the overstatement reported on the September 30, 2000 Part B R751 was corrected on the Part B R751 reported at December 31, 2000.

Part A and Part B MSP Reconciliation Problems

During our reconciliation of the RO's R751 with the supporting documentation, we identified variances that caused the Part A RM751 to be overstated by \$3,516 in principal and \$3,313 in interest. These unsupported amounts are not attributed with any specific account balances. The supporting documentation received from Region IV contractors contained mathematical errors.

RECOMMENDATIONS

We recommend the RO:

1. promptly reconcile their support before reporting the amounts on the R751, RC751 and the RM751;
2. increase the Part A non-MSP accounts receivable balances by \$102,927,298 for 157 unrecorded accounts receivable balances;
3. reduce the Part B non-MSP accounts receivable balances by \$2,608,769;
4. reduce the Part A MSP accounts receivable balance \$3,516 in principal and \$3,313 in interest;
5. reduce the Part B non-MSP accounts receivable balance to reflect the 18 unsupported accounts totaling \$1,042,160;
6. establish a system of internal controls that will provide adequate and timely tracking of its collection activities, including sending demand letters, to ensure compliance with the DCIA requirements;
7. change the status code for the 3 accounts receivable balances on the Part B 751 totaling \$201,186 to agree with the supporting documentation that shows the revised status;
8. reduce the overstated Part B non-MSP accounts receivable interest to reflect the three accounts receivable interest balances totaling \$357;
9. reduce the MSP accounts receivable balance to reflect the unsupported accounts receivable balance totaling \$2,832; and,

10. transfer two MSP accounts receivable balances for \$4,114 that were incorrectly transferred to the RO.

Auditee's Comments:

Region IV CMS staff concurred with the majority of the recommendations in our draft report and advised us that they have or plan to take action on our recommendations. They advised us that they generally concur with Recommendation Number 3 except for two minor exceptions. They also advised us that they do not concur with Recommendation Number 7 and they do not concur with one of the accounts receivable interest balances in Recommendation Number 8.

In their comments to Recommendation Number 3, CMS RO staff acknowledged that they agreed with reducing the Part B non-MSP accounts receivable balances by \$2,608,769 with two minor exceptions. The first exception is an overpayment for \$411 that they state their records show the account being in a "W" status (referred); and, therefore, the balance should be included on the R751. The second exception is an underpayment on the R751 of \$2.29. The CMS RO staff state that the PSOR balance of \$16,673 is a combination of 16 overpayment cases rounded to the nearest dollar and that the difference is due to rounding.

In their comments to Recommendation Number 7, they acknowledged that the three Part B accounts receivable balances were in bankruptcy, but state the PSOR instructions specify that the status code indicates the last status of the account and the last status for these accounts was a transfer to the RO.

In their comments to Recommendation Number 8, they acknowledged that the Part B non-MSP accounts receivable interest balance was overstated on two of the three accounts we noted as being incorrect, but did not concur with the third accounts receivable interest being incorrect. They state that the interest calculated corresponds to the determination date indicated on the PSOR and the Contractor did not make an error in establishing the determination date.

OAS Response:

Due to additional audit evidence provided to us we concur with RO officials' comments and the actions they advise us they have taken or plan to take with one exception. The exception is that the PSOR instructions specify that the status code indicates the last status of the account. When we requested the PSOR instructions pertaining to the status codes, we were informed that there were no written instructions on the use of the PSOR status codes. We recommend the RO coordinate with CMS Central Office in developing written procedures so the status code denotes the correct and current location of the accounts receivable balance.



Charles J. Curtis

APPENDICES

**Part A - Unreported Non-MSP
Accounts Receivable Balances**

Count	REGION	INT	COST REPORT DATE	OVERPAY DETERM DATE	LOCATION	BALANCE	PRINCIPAL BAL PER 751 INVENTORY
1	ATLANTA	00380	09/30/99	04/24/00	DJ4	\$ 810,698.00	\$ 810,698.00
2	ATLANTA	00380	06/30/99	04/06/00	DJ4	\$ 428,372.00	\$ 428,372.00
3	ATLANTA	00380	06/30/99	04/04/00	DJ4	\$ 283,562.00	\$ 283,562.00
4	KANSAS CITY	52280	12/31/98	03/07/00	DJ4	\$ 623,475.00	\$ 623,475.00
5	ATLANTA	00380	06/30/98	03/24/00	DJ4	\$ 574.00	\$ 574.00
6	ATLANTA	00380	06/30/98	03/24/00	DJ4	\$ 204.00	\$ 204.00
7	KANSAS CITY	52280	12/31/97	09/27/99	DJ4	\$ 1,307,724.00	\$ 1,307,724.00
8	ATLANTA	00380	12/31/97	09/08/99	DJ4	\$ 485,726.00	\$ 485,726.00
9	ATLANTA	00380	12/31/98	10/12/99	DJ4	\$ 181,996.00	\$ 181,996.00
10	KANSAS CITY	52280	12/31/98	09/20/99	DJ4	\$ 305,666.00	\$ 305,666.00
11	ATLANTA	00380	09/02/99	01/07/00	DJ4	\$ 846,440.00	\$ 846,440.00
12	ATLANTA	00380	10/10/99	01/07/00	DJ4	\$ 347,808.00	\$ 347,808.00
13	ATLANTA	00380	06/30/99	09/20/99	DJ4	\$ 554,320.00	\$ 554,320.00
14	ATLANTA	00380	06/30/99	09/20/99	DJ4	\$ 552,536.00	\$ 552,536.00
15	KANSAS CITY	52280	12/31/97	06/17/99	DJ4	\$ 129,642.00	\$ 129,642.00
16	ATLANTA	00380	06/30/97	12/16/98	DJ4	\$ 130,420.00	\$ 130,420.00
17	ATLANTA	00090	12/31/95	09/30/98	DJ4	\$ 687,128.00	\$ 687,128.00
18	ATLANTA	00380	06/30/98	01/29/99	DJ4	\$ 50,602.00	\$ 50,602.00
19	ATLANTA	00380	06/30/98	01/22/99	DJ4	\$ 36,073.00	\$ 36,073.00
20	ATLANTA	00380	06/30/98	12/21/98	DJ4	\$ 489,536.00	\$ 489,536.00
21	ATLANTA	00380	09/30/97	08/24/99	DJ4	\$ 1,019,241.00	\$ 1,019,241.00
22	ATLANTA	00380	12/31/92	07/26/99	DJ4	\$ 322.00	\$ 322.00
23	ATLANTA	00380	12/31/97	06/28/99	DJ4	\$ 804.00	\$ 804.00
24	ATLANTA	00380	06/30/97	04/30/99	DJ4	\$ 685,495.00	\$ 685,495.00
25	ATLANTA	00380	12/31/96	01/16/99	DJ4	\$ 30,326.00	\$ 30,326.00
26	ATLANTA	00380	09/30/96	12/04/98	DJ4	\$ 748,671.00	\$ 748,671.00
27	ATLANTA	00380	12/31/96	11/03/98	DJ4	\$ 9,676.00	\$ 9,676.00
28	ATLANTA	00380	12/27/98	07/01/99	DJ4	\$ 1,196,852.00	\$ 1,196,852.00
29	ATLANTA	00380	12/31/98	07/01/99	DJ4	\$ 193,371.00	\$ 193,371.00
30	ATLANTA	00380	12/31/98	07/01/99	DJ4	\$ 189,396.00	\$ 189,396.00
31	ATLANTA	00380	12/31/98	07/01/99	DJ4	\$ 457,145.00	\$ 457,145.00
32	ATLANTA	00380	12/31/98	07/01/99	DJ4	\$ 1,001,168.00	\$ 1,001,168.00
33	ATLANTA	00380	12/31/98	07/01/99	DJ4	\$ 788,363.00	\$ 788,363.00
34	ATLANTA	00380	12/31/98	07/01/99	DJ4	\$ 163,525.00	\$ 163,525.00
35	ATLANTA	00380	12/31/98	07/01/99	DJ4	\$ 447,173.00	\$ 447,173.00
36	ATLANTA	00380	01/03/99	06/30/99	DJ4	\$ 45,392.00	\$ 45,392.00
37	ATLANTA	00380	01/07/99	06/09/99	DJ4	\$ 296,842.00	\$ 296,842.00
38	ATLANTA	00380	09/30/98	06/02/99	DJ4	\$ 900,195.00	\$ 900,195.00
39	ATLANTA	00380	09/30/98	02/28/99	DJ4	\$ 6,883,016.00	\$ 6,883,016.00
40	ATLANTA	00380	05/15/98	10/13/98	DJ4	\$ 1,043,127.00	\$ 1,043,127.00
41	ATLANTA	00380	12/31/97	10/26/98	DJ4	\$ 113,127.00	\$ 113,127.00
42	ATLANTA	00380	12/31/96	09/15/98	DJ4	\$ 17,099.00	\$ 17,099.00
43	ATLANTA	00380	01/07/99	05/17/99	DJ4	\$ 23,543.00	\$ 23,543.00
44	ATLANTA	00380	06/30/99	03/12/99	DJ4	\$ 504,281.00	\$ 504,281.00
45	ATLANTA	00380	12/31/98	03/10/99	DJ4	\$ 55,502.00	\$ 55,502.00
46	ATLANTA	00380	12/31/98	03/10/99	DJ4	\$ 9,068.00	\$ 9,068.00
47	ATLANTA	00380	06/30/99	02/18/99	DJ4	\$ 8,018.00	\$ 8,018.00
48	ATLANTA	00380	06/30/99	02/02/99	DJ4	\$ 1,193,755.00	\$ 1,193,755.00
49	ATLANTA	00380	06/30/99	01/22/99	DJ4	\$ 2,535,291.00	\$ 2,535,291.00
50	ATLANTA	00380	09/30/98	12/16/98	DJ4	\$ 1,122,190.00	\$ 1,122,190.00
51	ATLANTA	00380	12/31/98	11/19/98	DJ4	\$ 59,200.00	\$ 59,200.00

**Part A - Unreported Non-MSP
Accounts Receivable Balances**

Count	REGION	INT	COST REPORT DATE	OVERPAY DETERM DATE	LOCATION	BALANCE	PRINCIPAL BAL PER 751 INVENTORY
52	ATLANTA	00380	12/31/98	10/05/98	DJ4	\$ 67,187.00	\$ 67,187.00
53	ATLANTA	00380	12/31/98	10/05/98	DJ4	\$ 80,475.00	\$ 80,475.00
54	ATLANTA	00380	12/31/98	10/05/98	DJ4	\$ 40,888.00	\$ 40,888.00
55	ATLANTA	00380	12/31/98	10/05/98	DJ4	\$ 7,447.00	\$ 7,447.00
56	ATLANTA	00090	03/31/87	09/30/89	GC4	\$ 946,575.00	\$ 946,575.00
57	ATLANTA	00390	10/31/90	09/24/92	GC4	\$ 23,112.00	\$ 23,112.00
58	ATLANTA	00230	09/30/87	09/28/90	GC4	\$ 4,163.00	\$ 4,163.00
59	ATLANTA	00090	03/31/86	09/21/88	GC4	\$ 384,928.00	\$ 384,928.00
60	ATLANTA	00390	10/04/94	05/02/97	DJ4	\$ 10,781.00	\$ 10,781.00
61	ATLANTA	00390	09/30/93	09/29/95	DJ4	\$ 752,893.00	\$ 752,893.00
62	ATLANTA	00380	06/30/93	10/11/94	DJ4	\$ 6,040,868.00	\$ 6,040,868.00
63	ATLANTA	00380	06/30/93	09/30/94	DJ4	\$ 4,661,086.00	\$ 4,661,086.00
64	ATLANTA	00380	06/30/92	09/30/93	DJ4	\$ 1,862,559.00	\$ 1,862,559.00
65	ATLANTA	00380	06/30/86	12/15/86	DJ4	\$ 215,029.00	\$ 215,029.00
66	ATLANTA	00380	06/30/86	12/15/86	DJ4	\$ 53,211.00	\$ 53,211.00
67	ATLANTA	00380	06/30/86	12/15/86	DJ4	\$ 38,343.00	\$ 38,343.00
68	ATLANTA	00010	06/30/86	12/15/86	DJ4	\$ 286,570.00	\$ 286,570.00
69	ATLANTA	00010	06/30/86	12/15/86	DJ4	\$ 186,727.00	\$ 186,727.00
70	ATLANTA	00010	06/30/86	12/15/86	DJ4	\$ 832,377.00	\$ 832,377.00
71	ATLANTA	00010	06/30/86	12/15/86	DJ4	\$ 87,069.00	\$ 87,069.00
72	ATLANTA	00010	06/30/86	12/15/86	DJ4	\$ 40,598.00	\$ 40,598.00
73	ATLANTA	00010	06/30/86	12/15/86	DJ4	\$ 112,983.00	\$ 112,983.00
74	ATLANTA	00010	06/30/86	12/15/86	DJ4	\$ 17,855.00	\$ 17,855.00
75	ATLANTA	00380	06/30/85	07/18/86	DJ4	\$ 78,083.00	\$ 78,083.00
76	ATLANTA	00380	12/31/85	07/18/86	DJ4	\$ 21,261.00	\$ 21,261.00
77	ATLANTA	00380	06/30/85	07/18/86	DJ4	\$ 4,141.00	\$ 4,141.00
78	ATLANTA	00010	07/31/85	07/18/86	DJ4	\$ 346,981.00	\$ 346,981.00
79	ATLANTA	00010	07/31/85	07/18/86	DJ4	\$ 37,628.00	\$ 37,628.00
80	ATLANTA	00010	06/30/85	07/18/86	DJ4	\$ 103,162.00	\$ 103,162.00
81	ATLANTA	00010	07/31/85	07/18/86	DJ4	\$ 16,679.00	\$ 16,679.00
82	ATLANTA	00010	06/30/85	07/18/86	DJ4	\$ 3,980.00	\$ 3,980.00
83	ATLANTA	00010	06/30/83	04/22/86	DJ4	\$ 112,887.00	\$ 112,887.00
84	ATLANTA	00380	12/31/84	03/27/86	DJ4	\$ 21,156.00	\$ 21,156.00
85	ATLANTA	00380	09/30/97	04/13/98	DJ4	\$ 65,855.00	\$ 65,855.00
86	ATLANTA	00380	08/31/97	04/03/98	DJ4	\$ 494,459.00	\$ 494,459.00
87	ATLANTA	00380	12/31/96	03/31/98	DJ4	\$ 438,491.00	\$ 438,491.00
88	ATLANTA	00010	06/30/85	04/11/86	DJ4	\$ 42,380.00	\$ 42,380.00
89	ATLANTA	00380	12/31/97	06/02/98	DJ4	\$ 77,850.00	\$ 77,850.00
90	ATLANTA	00380	12/31/97	06/02/98	DJ4	\$ 1,094,619.00	\$ 1,094,619.00
91	ATLANTA	00380	08/31/97	02/05/98	DJ4	\$ 79,868.00	\$ 79,868.00
92	ATLANTA	00380	09/30/96	03/03/97	DJ4	\$ 21,331.00	\$ 21,331.00
93	ATLANTA	00380	06/30/94	10/05/94	DJ4	\$ 829,154.00	\$ 829,154.00
94	ATLANTA	00380	06/30/94	10/05/94	DJ4	\$ 25,124.00	\$ 25,124.00
95	ATLANTA	00380	06/30/90	05/31/95	DJ4	\$ 19,750.00	\$ 19,750.00
96	ATLANTA	00380	06/30/93	12/13/94	DJ4	\$ 25,799,701.00	\$ 25,799,701.00
97	ATLANTA	00380	12/31/89	02/17/93	DJ4	\$ 1,172.00	\$ 1,172.00
98	ATLANTA	00380	12/31/90	02/17/93	DJ4	\$ 68,012.00	\$ 68,012.00
99	ATLANTA	00380	06/30/92	09/30/93	DJ4	\$ 5,522,405.00	\$ 5,522,405.00
100	ATLANTA	00230	11/06/89	05/31/91	GC4	\$ 41,368.00	\$ 41,368.00
101	ATLANTA	00230	09/30/88	09/28/90	GC4	\$ 73,545.00	\$ 73,545.00
102	ATLANTA	00230	09/30/88	09/28/90	GC4	\$ 4,369.00	\$ 4,369.00

**Part A - Unreported Non-MSP
Accounts Receivable Balances**

Count	REGION	INT	COST REPORT DATE	OVERPAY DETERM DATE	LOCATION	BALANCE	PRINCIPAL BAL PER 751 INVENTORY
103	ATLANTA	00380	08/31/95	09/30/97	DJ4	\$ 209,559.00	\$ 209,559.00
104	ATLANTA	00380	12/31/95	08/22/97	DJ4	\$ 465,390.00	\$ 465,390.00
105	ATLANTA	00380	12/31/92	07/26/96	DJ4	\$ 85,131.00	\$ 85,131.00
106	ATLANTA	00380	06/30/93	09/30/94	DJ4	\$ 2,497,359.00	\$ 2,497,359.00
107	ATLANTA	00380	12/31/91	02/22/93	DJ4	\$ 161,422.00	\$ 161,422.00
108	ATLANTA	00380	06/30/90	09/30/92	DJ4	\$ 114,776.00	\$ 114,776.00
109	ATLANTA	00380	03/31/93	08/26/93	GC4	\$ 17,377.00	\$ 17,377.00
110	ATLANTA	00380	03/31/93	08/26/93	GC4	\$ 10,390.00	\$ 10,390.00
111	ATLANTA	00380	03/31/93	08/26/93	GC4	\$ 24,061.00	\$ 24,061.00
112	ATLANTA	00380	03/31/93	08/26/93	GC4	\$ 7,981.00	\$ 7,981.00
113	ATLANTA	00380	03/31/93	08/26/93	GC4	\$ 9,916.00	\$ 9,916.00
114	ATLANTA	00380	03/31/93	05/24/93	GC4	\$ 12,675.00	\$ 12,675.00
115	ATLANTA	00090	12/05/87	03/18/88	GC4	\$ 1,779.00	\$ 1,779.00
116	ATLANTA	00380	12/31/97	06/01/98	DJ4	\$ 1,855,600.00	\$ 1,855,600.00
117	ATLANTA	00010	06/30/94	12/15/95	DJ4	\$ 1,790,988.00	\$ 1,790,988.00
118	ATLANTA	00010	06/30/95	12/07/95	DJ4	\$ 364,830.00	\$ 364,830.00
119	ATLANTA	00380	04/02/95	05/18/95	DJ4	\$ 110,109.00	\$ 110,109.00
120	ATLANTA	00380	01/25/95	03/14/95	DJ4	\$ 314,068.00	\$ 314,068.00
121	ATLANTA	00380	11/29/94	02/02/95	DJ4	\$ 1,595,130.00	\$ 1,595,130.00
122	ATLANTA	00380	07/24/94	01/30/95	DJ4	\$ 48,900.00	\$ 48,900.00
123	ATLANTA	00380	07/24/94	10/03/94	DJ4	\$ 31,590.00	\$ 31,590.00
124	ATLANTA	00380	12/31/92	04/01/93	DJ4	\$ 1,063,329.00	\$ 1,063,329.00
125	ATLANTA	00380	12/31/96	04/27/98	DJ4	\$ 185,638.00	\$ 185,638.00
126	ATLANTA	00380	12/31/98	07/03/98	DJ4	\$ 376,311.00	\$ 376,311.00
127	ATLANTA	00380	12/31/98	07/03/98	DJ4	\$ 63,665.00	\$ 63,665.00
128	ATLANTA	00380	12/31/98	07/02/98	DJ4	\$ 63,334.00	\$ 63,334.00
129	ATLANTA	00380	12/31/98	07/02/98	DJ4	\$ 335,197.00	\$ 335,197.00
130	ATLANTA	00380	12/31/97	03/31/98	DJ4	\$ 273,758.00	\$ 273,758.00
131	ATLANTA	00380	12/31/97	03/24/98	DJ4	\$ 53,729.00	\$ 53,729.00
132	ATLANTA	00380	12/31/97	03/20/98	DJ4	\$ 114,087.00	\$ 114,087.00
133	ATLANTA	00380	10/31/94	02/24/95	DJ4	\$ 722,854.00	\$ 722,854.00
134	ATLANTA	00380	06/30/94	09/30/94	DJ4	\$ 270,871.00	\$ 270,871.00
135	ATLANTA	00380	06/30/94	06/21/94	DJ4	\$ 249,531.00	\$ 249,531.00
136	ATLANTA	00380	06/30/94	06/21/94	DJ4	\$ 44,694.00	\$ 44,694.00
137	ATLANTA	00380	06/30/94	05/24/94	DJ4	\$ 3,015,298.00	\$ 3,015,298.00
138	ATLANTA	00380	12/31/92	02/12/93	DJ4	\$ 11,817.00	\$ 11,817.00
139	ATLANTA	00380	12/31/92	12/04/92	DJ4	\$ 159,868.00	\$ 159,868.00
140	ATLANTA	00380	06/30/86	04/01/86	DJ4	\$ 22,122.00	\$ 22,122.00
141	ATLANTA	00010	06/30/86	04/01/86	DJ4	\$ 21,708.00	\$ 21,708.00
	TOTAL					\$ 98,969,653.00	\$ 98,969,653.00
142	Kansas City	52280	12/31/93	07/28/95	DJR	\$ 16,895.00	\$ 16,895.00
143	Kansas City	52280	12/31/93	08/15/94	DJR	\$ 44,302.00	\$ 44,302.00
144	Kansas City	52280	12/31/92	07/29/94	DJR	\$ 32,806.00	\$ 32,806.00
145	Kansas City	52280	12/31/91	06/29/94	DJR	\$ 66,945.00	\$ 66,945.00
146	Kansas City	52280	06/30/90	03/27/92	GCR	\$ 89,538.00	\$ 89,538.00
147	Kansas City	52280	06/30/90	03/26/92	GCR	\$ 43,159.00	\$ 43,159.00
148	Kansas City	52280	12/31/89	09/30/91	GCR	\$ 102,918.00	\$ 102,918.00
149	Kansas City	52280	06/30/92	01/26/94	DJR	\$ 72,808.00	\$ 72,808.00
150	Kansas City	52280	06/30/92	03/24/94	DJR	\$ 25,076.00	\$ 25,076.00
151	Kansas City	52280	09/30/93	09/24/96	DJR	\$ 129,014.00	\$ 129,014.00
152	Kansas City	52280	09/30/91	03/06/95	DJR	\$ 1,030,613.00	\$ 1,030,613.00

**Part A - Unreported Non-MSP
Accounts Receivable Balances**

Count	REGION	INT	COST REPORT DATE	OVERPAY DETERM DATE	LOCATION	BALANCE	PRINCIPAL BAL PER 751 INVENTORY
153	Kansas City	52280	09/30/92	06/02/95	DJR	\$ 1,742,039.00	\$ 1,742,039.00
154	Kansas City	52280	07/31/93	05/13/96	GCR	\$ 378,845.00	\$ 378,463.00
TOTAL						\$ 3,774,958.00	\$ 3,774,576.00
155	Kansas City	52280	10/31/90	02/13/91	GCR		\$ 141,250.00
156	Kansas City	52280	10/31/90	01/07/91	GCR		\$ 38,745.00
157	Kansas City	52280	06/30/89	11/06/90	DJR		\$ 3,074.00
TOTAL							\$ 183,069.00
Grand Total							\$ 102,927,298.00

**Part B - Non-MSP
Reconciliation Differences**

COUNT	REGION	INT	OVERPAY DETERM DATE	LOCATION	BALANCE	PRINCIPAL BAL PER 751 INVENTORY	Difference
<i>Computer Generated Differences</i>							
1	ATLANTA	00590	09/09/1999	ROA	\$ 289,641.00	\$ 327,181.00	\$ (37,540.00)
2	ATLANTA	00590	04/16/1999	ROA	\$ 84,732.00	\$ 86,784.00	\$ (2,052.00)
3	ATLANTA	00590	02/24/1999	ROA	\$ 151,433.00	\$ 152,529.00	\$ (1,096.00)
4	ATLANTA	00590	01/07/1999	ROA	\$ 140.00	\$ 638.00	\$ (498.00)
5	ATLANTA	00590	12/03/1998	ROA	\$ 115,825.00	\$ 116,154.00	\$ (329.00)
6	ATLANTA	00511	10/09/1998	ROA	\$ 1,555.00	\$ 1,830.00	\$ (275.00)
7	ATLANTA	05440	09/29/1998	ROA	\$ 1,569,946.00	\$ 1,571,237.00	\$ (1,291.00)
8	ATLANTA	00590	09/14/1998	ROA	\$ 575.00	\$ 605.00	\$ (30.00)
9	ATLANTA	00590	02/22/1995	ROA	\$ 6,489.00	\$ 6,849.00	\$ (360.00)
10	ATLANTA	00880	11/15/1994	ROA	\$ 46,916.00	\$ 49,916.00	\$ (3,000.00)
11	ATLANTA	00590	10/23/1992	ROA	\$ 345,156.00	\$ 345,256.00	\$ (100.00)
12	ATLANTA	00510	12/10/1997	ROA	\$ 12,493.00	\$ 12,489.74	\$ 3.26
13	ATLANTA	00590	05/21/1998	ROA	\$ 80,080.00	\$ 80,808.19	\$ (728.19)
14	ATLANTA	00511	03/11/1998	ROA	\$ 1,399.00	\$ 57,871.00	\$ (56,472.00)
15	ATLANTA	00590	02/26/1998	ROA	\$ 867.00	\$ 1,012.00	\$ (145.00)
16	ATLANTA	00511	08/15/1997	ROA	\$ 16,023.00	\$ 16,434.00	\$ (411.00)
17	ATLANTA	00590	06/06/1997	ROA	\$ 86,399.00	\$ 110,742.00	\$ (24,343.00)
18	ATLANTA	00590	05/12/1997	ROA	\$ 28,538.00	\$ 35,371.00	\$ (6,833.00)
19	ATLANTA	00590	04/15/1997	ROA	\$ 76,251.00	\$ 138,226.00	\$ (61,975.00)
20	ATLANTA	00511	02/02/1996	ROA	\$ 1,027.00	\$ 3,314.00	\$ (2,287.00)
21	ATLANTA	00880	07/25/1995	ROA	\$ 1,900.00	\$ 2,314.00	\$ (414.00)
22	ATLANTA	00880	09/05/1994	ROA	\$ 1,239.00	\$ 2,864.00	\$ (1,625.00)
23	ATLANTA	00880	07/22/1994	ROA	\$ 3,735.00	\$ 4,179.00	\$ (444.00)
24	ATLANTA	00880	06/16/1994	ROA	\$ 5,253.00	\$ 7,242.00	\$ (1,989.00)
25	ATLANTA	00880	06/16/1994	ROA	\$ 4,794.00	\$ 15,635.00	\$ (10,841.00)
26	ATLANTA	05440	09/26/1989	DJB	\$ 29,301.00	\$ 67,737.00	\$ (38,436.00)
27	DALLAS	00885	09/26/1996	ROA	\$ 3,837.00	\$ 4,728.00	\$ (891.00)
28	DALLAS	00885	09/23/1996	ROA	\$ 117,745.00	\$ 117,545.00	\$ 200.00
29	DALLAS	00885	10/06/1999	ROA	\$ 56,938.00	\$ 60,767.00	\$ (3,829.00)
30	DALLAS	00885	09/30/1999	ROA	\$ 128,020.00	\$ 129,972.00	\$ (1,952.00)
31	DALLAS	00885	08/09/1999	ROA	\$ 270,461.00	\$ 302,309.00	\$ (31,848.00)
32	DALLAS	00885	06/28/1999	ROA	\$ 36,808.00	\$ 59,170.00	\$ (22,362.00)
33	DALLAS	00885	06/07/1999	ROA	\$ 4,662.00	\$ 5,342.00	\$ (680.00)
34	DALLAS	00885	06/04/1999	ROA	\$ 53,648.00	\$ 55,134.00	\$ (1,486.00)
35	DALLAS	00885	03/17/1999	ROA	\$ 458,093.00	\$ 479,514.00	\$ (21,421.00)
36	DALLAS	00885	03/01/1999	ROA	\$ 171,927.00	\$ 195,381.00	\$ (23,454.00)
37	DALLAS	00885	02/26/1999	ROA	\$ 78,907.00	\$ 167,870.00	\$ (88,963.00)
38	DALLAS	00885	02/24/1999	ROA	\$ 881,562.00	\$ 968,334.00	\$ (86,772.00)
39	DALLAS	00885	02/24/1999	ROA	\$ 109,281.00	\$ 193,814.00	\$ (84,533.00)
40	DALLAS	00885	02/24/1999	ROA	\$ 244,261.00	\$ 244,562.00	\$ (301.00)
41	DALLAS	00885	02/22/1999	ROA	\$ 61,430.00	\$ 309,184.00	\$ (247,754.00)
42	DALLAS	00885	02/12/1999	ROA	\$ 5,603.00	\$ 6,819.00	\$ (1,216.00)
43	DALLAS	00885	02/12/1999	ROA	\$ 782.00	\$ 2,003.00	\$ (1,221.00)
44	DALLAS	00885	02/12/1999	ROA	\$ 64,028.00	\$ 66,405.00	\$ (2,377.00)
45	DALLAS	00885	02/10/1999	ROA	\$ 238,939.00	\$ 422,286.00	\$ (183,347.00)
46	DALLAS	00885	02/05/1999	ROA	\$ 230,864.00	\$ 276,487.00	\$ (45,623.00)
47	DALLAS	00885	02/05/1999	ROA	\$ 297,367.00	\$ 298,976.00	\$ (1,609.00)
48	DALLAS	00885	02/03/1999	ROA	\$ 1,125,393.00	\$ 1,163,797.00	\$ (38,404.00)
49	DALLAS	00885	02/03/1999	ROA	\$ 84,617.00	\$ 105,476.00	\$ (20,859.00)
50	DALLAS	00885	01/28/1999	ROA	\$ 158,288.00	\$ 192,709.00	\$ (34,421.00)

**Part B - Non-MSP
Reconciliation Differences**

COUNT	REGION	INT	OVERPAY		PRINCIPAL BAL			Difference
			DETERM	DATE	LOCATION	BALANCE	INVENTORY	
51	DALLAS	00885		01/25/1999	ROA	\$ 153,589.00	\$ 211,233.00	\$ (57,644.00)
52	DALLAS	00885		01/18/1999	ROA	\$ 214,370.00	\$ 236,962.00	\$ (22,592.00)
53	DALLAS	00885		01/11/1999	ROA	\$ 601.00	\$ 1,858.36	\$ (1,257.36)
54	DALLAS	00885		01/11/1999	ROA	\$ 645,077.00	\$ 825,020.00	\$ (179,943.00)
55	DALLAS	00885		12/22/1998	ROA	\$ 9,684.00	\$ 20,305.00	\$ (10,621.00)
56	DALLAS	00885		12/18/1998	ROA	\$ 1,027.00	\$ 1,445.00	\$ (418.00)
57	DALLAS	00885		11/19/1998	ROA	\$ 470,871.00	\$ 615,090.00	\$ (144,219.00)
58	DALLAS	00885		11/06/1998	ROA	\$ 845.00	\$ 886.00	\$ (41.00)
59	DALLAS	00885		10/29/1998	ROA	\$ 309,035.00	\$ 329,852.00	\$ (20,817.00)
60	DALLAS	00885		10/26/1998	ROA	\$ 1,235.00	\$ 8,891.00	\$ (7,656.00)
61	DALLAS	00885		09/18/1998	ROA	\$ 484,429.00	\$ 700,567.00	\$ (216,138.00)
62	DALLAS	00885		07/27/1998	ROA	\$ 3,273.00	\$ 5,010.00	\$ (1,737.00)
63	DALLAS	00885		06/08/1998	ROA	\$ 102,781.00	\$ 136,966.00	\$ (34,185.00)
64	DALLAS	00885		05/28/1998	ROA	\$ 84,278.00	\$ 100,384.00	\$ (16,106.00)
65	DALLAS	00885		05/28/1998	ROA	\$ 126,770.00	\$ 173,706.00	\$ (46,936.00)
66	DALLAS	00885		05/28/1998	ROA	\$ 58,930.00	\$ 105,440.00	\$ (46,510.00)
67	DALLAS	00885		05/26/1998	ROA	\$ 21,657.00	\$ 31,214.00	\$ (9,557.00)
68	DALLAS	00885		05/25/1998	ROA	\$ 7,255.00	\$ 7,667.00	\$ (412.00)
69	DALLAS	00885		05/14/1998	ROA	\$ 61,945.00	\$ 63,817.00	\$ (1,872.00)
70	DALLAS	00885		04/27/1998	ROA	\$ 548,490.00	\$ 554,892.00	\$ (6,402.00)
71	DALLAS	00885		03/26/1998	ROA	\$ 78,389.00	\$ 82,271.00	\$ (3,882.00)
72	DALLAS	00885		03/16/1998	ROA	\$ 265,723.00	\$ 306,578.00	\$ (40,855.00)
73	DALLAS	00885		03/10/1998	ROA	\$ 45,467.00	\$ 49,507.00	\$ (4,040.00)
74	DALLAS	00885		03/06/1998	ROA	\$ 77,825.00	\$ 119,626.00	\$ (41,801.00)
75	DALLAS	00885		02/23/1998	ROA	\$ 673.00	\$ 1,375.00	\$ (702.00)
76	DALLAS	00885		02/18/1998	ROA	\$ 4,133.00	\$ 6,540.00	\$ (2,407.00)
77	DALLAS	00885		01/21/1998	ROA	\$ 213,095.00	\$ 288,170.00	\$ (75,075.00)
78	DALLAS	00885		01/20/1998	ROA	\$ 4,636.00	\$ 8,216.00	\$ (3,580.00)
79	DALLAS	00885		01/12/1998	ROA	\$ 191,289.00	\$ 193,744.00	\$ (2,455.00)
80	DALLAS	00885		01/09/1998	ROA	\$ 834,235.00	\$ 1,210,566.00	\$ (376,331.00)
81	DALLAS	00885		01/09/1998	ROA	\$ 3,101.00	\$ 4,712.00	\$ (1,611.00)
82	DALLAS	00885		01/07/1998	ROA	\$ 415,504.00	\$ 722,696.00	\$ (307,192.00)
83	DALLAS	00885		12/16/1997	ROA	\$ 16,508.00	\$ 109,964.00	\$ (93,456.00)
84	DALLAS	00885		12/11/1997	ROA	\$ 124,867.00	\$ 215,665.00	\$ (90,798.00)
85	DALLAS	00885		11/27/1997	ROA	\$ 1,666.00	\$ 2,005.00	\$ (339.00)
86	DALLAS	00885		11/21/1997	ROA	\$ 3,324.00	\$ 3,985.00	\$ (661.00)
87	DALLAS	00885		10/21/1997	ROA	\$ 112,886.00	\$ 149,570.00	\$ (36,684.00)
88	DALLAS	00885		10/14/1997	ROA	\$ 1,373.00	\$ 2,880.00	\$ (1,507.00)
89	DALLAS	00885		09/29/1997	ROA	\$ 3,331.00	\$ 16,253.00	\$ (12,922.00)
90	DALLAS	00885		09/11/1997	ROA	\$ 241,619.00	\$ 285,300.00	\$ (43,681.00)
91	DALLAS	00885		09/09/1997	ROA	\$ 32,599.00	\$ 33,064.00	\$ (465.00)
92	DALLAS	00885		09/04/1997	ROA	\$ 77,432.00	\$ 83,287.00	\$ (5,855.00)
93	DALLAS	00885		08/18/1997	ROA	\$ 105,252.00	\$ 237,855.00	\$ (132,603.00)
94	DALLAS	00885		08/18/1997	ROA	\$ 1,365.00	\$ 1,428.00	\$ (63.00)
95	DALLAS	00885		08/18/1997	ROA	\$ 3,189.00	\$ 3,754.00	\$ (565.00)
96	DALLAS	00885		08/18/1997	ROA	\$ 11,845.00	\$ 12,502.00	\$ (657.00)
97	DALLAS	00885		08/15/1997	ROA	\$ 110,236.00	\$ 117,778.00	\$ (7,542.00)
98	DALLAS	00885		08/14/1997	ROA	\$ 39,114.00	\$ 49,242.00	\$ (10,128.00)
99	DALLAS	00885		08/11/1997	ROA	\$ 21,125.00	\$ 40,216.00	\$ (19,091.00)
100	DALLAS	00885		08/11/1997	ROA	\$ 961.00	\$ 2,096.00	\$ (1,135.00)
101	DALLAS	00885		08/07/1997	ROA	\$ 2,816.00	\$ 5,827.00	\$ (3,011.00)

**Part B - Non-MSP
Reconciliation Differences**

COUNT	REGION	INT	OVERPAY		BALANCE	PRINCIPAL BAL		Difference
			DETERM	DATE		LOCATION	PER 751	
102	DALLAS	00885		08/04/1997	ROA	\$ 1,963.00	\$ 3,897.00	\$ (1,934.00)
103	DALLAS	00885		07/21/1997	ROA	\$ 11,489.00	\$ 15,774.00	\$ (4,285.00)
104	DALLAS	00885		07/14/1997	ROA	\$ 16,190.00	\$ 16,328.00	\$ (138.00)
105	DALLAS	00885		07/03/1997	ROA	\$ 45,483.00	\$ 53,313.00	\$ (7,830.00)
106	DALLAS	00885		06/17/1997	ROA	\$ 5,395.00	\$ 5,711.00	\$ (316.00)
107	DALLAS	00885		06/16/1997	ROA	\$ 1,248.00	\$ 1,550.00	\$ (302.00)
108	DALLAS	00885		06/04/1997	ROA	\$ 20,034.00	\$ 33,173.00	\$ (13,139.00)
109	DALLAS	00885		06/02/1997	ROA	\$ 106,805.00	\$ 154,213.00	\$ (47,408.00)
110	DALLAS	00885		05/30/1997	ROA	\$ 187,721.00	\$ 191,832.00	\$ (4,111.00)
111	DALLAS	00885		05/30/1997	ROA	\$ 5,531.00	\$ 174,316.00	\$ (168,785.00)
112	DALLAS	00885		05/28/1997	ROA	\$ 54,027.00	\$ 68,549.00	\$ (14,522.00)
113	DALLAS	00885		05/27/1997	ROA	\$ 203,417.00	\$ 553,453.00	\$ (350,036.00)
114	DALLAS	00885		05/23/1997	ROA	\$ 40,366.00	\$ 61,074.00	\$ (20,708.00)
115	DALLAS	00885		05/12/1997	ROA	\$ 4,392.00	\$ 5,332.00	\$ (940.00)
116	DALLAS	00885		05/09/1997	ROA	\$ 158,948.00	\$ 186,655.00	\$ (27,707.00)
117	DALLAS	00885		05/09/1997	ROA	\$ 30,100.00	\$ 481,627.00	\$ (451,527.00)
118	DALLAS	00885		05/05/1997	ROA	\$ 3,437.00	\$ 3,692.00	\$ (255.00)
119	DALLAS	00885		05/05/1997	ROA	\$ 31,243.00	\$ 35,125.00	\$ (3,882.00)
120	DALLAS	00885		05/01/1997	ROA	\$ 5,973.00	\$ 7,227.00	\$ (1,254.00)
121	DALLAS	00885		04/30/1997	ROA	\$ 312,885.00	\$ 319,502.00	\$ (6,617.00)
122	DALLAS	00885		04/29/1997	ROA	\$ 26,939.00	\$ 33,575.00	\$ (6,636.00)
123	DALLAS	00885		04/22/1997	ROA	\$ 20,817.00	\$ 25,609.00	\$ (4,792.00)
124	DALLAS	00885		04/18/1997	ROA	\$ 25,633.00	\$ 26,957.00	\$ (1,324.00)
125	DALLAS	00885		04/18/1997	ROA	\$ 21,311.00	\$ 482,415.00	\$ (461,104.00)
126	DALLAS	00885		04/15/1997	ROA	\$ 9,029.00	\$ 9,509.00	\$ (480.00)
127	DALLAS	00885		04/14/1997	ROA	\$ 7,524.00	\$ 14,211.00	\$ (6,687.00)
128	DALLAS	00885		04/07/1997	ROA	\$ 3,239.00	\$ 3,542.00	\$ (303.00)
129	DALLAS	00885		04/03/1997	ROA	\$ 37,091.00	\$ 38,956.00	\$ (1,865.00)
130	DALLAS	00885		04/03/1997	ROA	\$ 51,422.00	\$ 55,368.00	\$ (3,946.00)
131	DALLAS	00885		02/14/1997	ROA	\$ 76,410.00	\$ 84,761.00	\$ (8,351.00)
132	DALLAS	00885		12/20/1996	ROA	\$ 12,625.00	\$ 31,442.00	\$ (18,817.00)
133	DALLAS	00885		04/05/1996	ROA	\$ 79,213.00	\$ 97,818.00	\$ (18,605.00)
134	DALLAS	00885		02/07/1996	ROA	\$ 1,969.00	\$ 2,521.00	\$ (552.00)
135	DALLAS	00885		05/24/1995	ROA	\$ 610,651.00	\$ 629,523.00	\$ (18,872.00)
136	DALLAS	00885		03/28/1995	ROA	\$ 285,224.00	\$ 293,618.00	\$ (8,394.00)
	Subtotal					\$ 16,712,632.00	\$ 21,743,847.29	\$ (5,031,215.29)

Multiple balances on the AFMAD report and combined into one account on the 751 inventory. (All balances were over \$600.)

137	ATLANTA	000590		12/26/1996	ROA	\$ 16,673.00	\$ 16,670.71	\$ 2.29
138	ATLANTA	000590		07/22/1997	ROA	\$ 152,031.00	\$ 152,161.59	\$ (130.59)
137	ATLANTA	00590		03/12/1998	ROA	\$ 24,526.00	\$ 27,178.22	\$ (2,652.22)
138	ATLANTA	00590		01/27/1992	ROA	\$ 216,159.00	\$ 216,986.62	\$ (827.62)
							\$ (3,608.14)	
	Total Computer Error						\$ (5,034,823.43)	

Balance hand written on the 751, but not included in the total for the 751.

ATLANTA	00590			05/05/1995	ROA	\$ 5,394.00	\$ -	\$ 5,394.00
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Balances not on the 751, however should be included in the CNC.

ATLANTA	00590			04/29/1996	ROA	\$ 823,012.00	\$ -	\$ 823,012.00
ATLANTA	00590			06/18/1998	ROA	\$ 411.00	\$ -	\$ 411.00

Balance inadvertently left off the 751.

**Part B - Non-MSP
Reconciliation Differences**

COUNT	REGION	INT	OVERPAY DETERM DATE	LOCATION	BALANCE	PRINCIPAL BAL PER 751 INVENTORY	Difference
	ATLANTA	00590	09/27/1990	DJB	\$ 90,000.00	\$	90,000.00
<i>Balances on the 751 with GCC location code that should not be included.</i>							
	ATLANTA	590	06/24/1996			\$ 62,554.58	\$ (62,554.58)
	ATLANTA	590	10/01/1988			\$ 45,009.00	\$ (45,009.00)
<i>Balance on the 751 at the wrong amount.</i>							
	ATLANTA	590	07/11/1997		\$ 4,760.00	\$ (1,619,149.17)	\$ 1,623,909.17
<i>Balances included on the 751 at two locations.</i>							
	ATLANTA	511	02/28/1997			\$ 7,229.78	\$ (7,229.78)
	ATLANTA	590	12/21/1998			\$ 1,878.75	\$ (1,878.75)
Net Understatement						\$	(2,608,769.37)

Part B - Non-MSP

Unsupported Accounts Receivable Balances

Principal

Interest

Count	Sample #	INT	Determ Date	R-751	Case File	Difference	R-751	Case File	Difference
1	15	590	10/07/98	\$ 974			\$ 279		
2	17	590	09/28/98	\$ 638			\$ 183		
3	29	660	12/08/97	\$ 644			\$ 261		
4	38	590	09/04/97	\$ 802			\$ 459		
5	39	590	09/04/97	\$ 896			\$ 513		
6	40	590	08/25/97	\$ 1,009			\$ 439		
7	41	590	08/15/97	\$ 654			\$ 292		
8	45	590	07/16/97	\$ 2,102			\$ 946		
9	46	590	07/16/97	\$ 2,026			\$ 912		
10	48	590	07/09/97	\$ 53,499			\$ 24,074		
11	105	885	05/07/97	\$ 329,065			\$ 155,483		
12	115	590	06/19/97	\$ 689			\$ 310		
13	130	590	10/15/97	\$ 997			\$ 423		
14	132	590	10/18/96	\$ 994			\$ 548		
15	134	590	06/28/96	\$ 779			\$ 460		
16	138	590	12/14/95	\$ 800			\$ 546		
17	142	590	10/26/1995	\$ 58,178			\$ 41,034		
18	151	880	08/30/93	\$ 587,415			\$ 468,460		
Total Unsupported				\$ 1,042,160			\$ 695,622		

Incorrect Status Code

3	590	11/04/99	\$ 52,881	\$ 52,881	\$ -	\$ 7,073		\$ -
23	590	06/19/98	\$ 145,145	\$ 145,145	\$ -	\$ 47,414		\$ -
75	885	02/12/99	\$ 3,160	\$ 3,160	\$ -	\$ 764		\$ -
Total Incorrect Status Code				\$ 201,186				

Incorrect Interest Amount

1	119	590	11/13/91	\$ 4,452	\$ 4,452	\$ -	\$ 6,116	\$ 6,167	\$ (51)
2	124	511	08/07/98	\$ 10,147	\$ 10,147	\$ -	\$ 3,082	\$ 3,139	\$ (57)
3	153	590	12/21/98	\$ 1,879	\$ 1,879	\$ -	\$ 465	\$ 465	\$ 465
Total Incorrect Interest Amount									\$ 357

Case Files W/O Demand Letters

Count	Sample #	R-751
1	3	52,881.25
2	4	9,570.00
3	5	667.00
4	6	814.00
5	8	754.30
6	9	735.99
7	10	1,399.77
8	11	1,635.23
9	13	1,001.27
10	16	369,348.56
11	18	115,580.39
12	19	212,047.28
13	20	1,276.02
14	21	6,682.51
15	23	145,144.62
16	24	1,055,431.98
17	25	1,258.66
18	27	788.26
19	28	717.23
20	30	1,204.67
21	31	895.91
22	32	1,001.09
23	33	722.51
24	35	863.22
25	36	49,231.44
26	37	77,091.37
27	42	2,314.23
28	43	12,771.55
29	44	92,794.03
30	47	1,589.28
31	51	2,103.00
32	52	609.54
33	53	2,029.91
34	55	1,089.00
35	57	647,982.77
36	58	93,197.64
37	59	118,594.00
38	60	624.66
39	61	1,777.95
40	62	1,705.00
41	63	874,579.18
42	64	3,314.00
43	65	1,485,936.53
44	67	5,499.00
45	68	129,972.00
46	69	59,170.00
47	71	479,514.00
48	72	167,870.00

Case Files W/O Demand Letters

Count	Sample #	R-751
49	73	309,184.00
50	74	851.92
51	75	3,160.31
52	76	10,165.90
53	77	422,286.00
54	78	105,476.00
55	79	211,233.00
56	80	825,020.00
57	81	615,090.00
58	82	766.26
59	83	440,506.13
60	85	1,827.80
61	86	15,297.81
62	88	554,892.00
63	90	1,375.00
64	93	288,170.00
65	94	5,963.59
66	95	159,288.52
67	96	16,253.00
68	97	1,020.70
69	98	4,444.75
70	99	1,654.30
71	101	2,367.61
72	102	2,096.00
73	103	1,579.27
74	107	11,876.47
75	109	9,509.00
76	114	1,015.00
77	116	1,925.00
78	117	1,052.00
79	118	843.00
80	119	4,452.00
81	120	779.00
82	121	2,178,238.08
83	122	37,383.02
84	123	5,380.00
85	124	10,146.97
86	125	55,847.13
87	126	85,530.86
88	127	950.53
89	128	62,163.00
90	129	221,547.00
91	131	1,144.00
92	133	391,101.97
93	135	733,838.23
94	136	1,044.00
95	137	339,877.00
96	139	472,346.00

Case Files W/O Demand Letters

Count	Sample #	R-751
97	140	521,773.89
98	141	358,411.56
99	143	2,195.00
100	144	626.00
101	145	4,318.00
102	146	13,443.00
103	147	3,735.00
104	148	4,059.00
105	149	155,781.00
106	150	915.00
107	153	1,878.75

Unsupported Part B MSP Accounts Receivable

Sample #	Part B Case ID #	Balance at 09/30/00
26	011139500131	\$2,832.35

Improperly Transferred MSP Accounts Receivables

Sample #	Case ID #	Balance at 09/30/00
8	N/A	\$3,585.35
11	N/A	\$ 529.08



Memorandum

Office of Audit Services
NOV 15 2001

copy 11/19/01

RECEIVED

Date: November 13, 2001
From: Regional Administrator, Centers for Medicare & Medicaid Services
Subject: Response to the Draft Report "The President's Council on Integrity and Efficiency Debt Collection Initiative at the Centers for Medicare & Medicaid at the Region IV Regional Office"
To: Charles J. Curtis, Regional Inspector General for Audit Services, Region IV

This memorandum is in response to your draft report "The President's Council on Integrity and Efficiency Debt Collection Initiative at the Centers for Medicare & Medicaid Services Region IV Regional Office." Thank you for the opportunity to comment on your draft report.

We generally concur with your findings and recommendations noted in the draft report. We would like to point out that the majority of your findings had already been identified and corrected by CMS staff prior to notification of your audit. As we stated in the exit conference, we would like to see this recognition in the executive summary section of the subject report. In addition, this was the first time CMS, Region IV was required to compute an ending balance for accounts receivable. We realized at the time we submitted the ending balance that we had problems with our internal tracking system and had errors in the overpayment balances reported. Due to time constraints, we were instructed by Central Office to correct the errors by adjustments to the December 30, 2000 report.

The following are our comments on the recommendations as presented in the report.

1. Promptly reconcile their support before reporting the amounts on the R751, RC751 and RM751.

We concur. We currently reconcile all amounts for non-MSP reported on the 751 back to the Provider Overpayment Report (POR) or the Physician/Supplier Overpayment Report (PSOR) prior to submitting our reports. We also reconcile all transfers for MSP and non-MSP back to the Contractor's H751 reports. The 751 reports for the period ending September 30, 2000, were the first such reports that the Regional Office had ever prepared. Because of system problems with our internal tracking system (Chicago Tracking System - CTS), we were unable to obtain an accurate ending balance before the report due date. Therefore, we had to complete the reconciliation after the report was submitted. In addition, subsequent to the report

due date we received clarifying reporting instructions from Central Office that significantly impacted our ending balance. We performed a reconciliation as soon as the system problems were corrected and additional instructions were received. As a result of this reconciliation, we made the adjustments on the following December 31, 2000 report.

2. Increase the Part A non-MSP accounts receivable balances by \$102,927,298 for 157 unrecorded accounts receivable balances.

We concur. During our reconciliation of the CTS and POR we noted the 157 overpayment cases that were at the Department of Justice or Office of General Council locations. However, \$21,044,283, representing 54 overpayment cases, were for type H overpayments (unfiled cost reports) and per Central Office instructions, should not be included in the accounts receivable ending balance. Therefore, our adjustment to the December 30, 2000 R751 Part A report for these overpayment cases was \$81,883,015.

3. Reduce the Part B non-MSP accounts receivable balances by \$2,608,769.

We generally concur, with two minor exceptions. First, Appendix B page 4 of 4 lists an overpayment for \$411.00 that "...should be included in the RC751." However, our records show the case in a "W" status on the PSOR at 9/30/00 and therefore, should be included on the R751. We made this adjustment on the December 30, 2000 report. Second, Appendix B page 3 of 4, item number 137, indicates that our R751 was understated by \$2.29. The balance shown per the PSOR (\$16,673.00) is a combination of 16 overpayment cases rounded to the nearest dollar. The balance reported on the R751 represents the 16 cases combined using the actual overpayment amounts. This difference is due to rounding and the amount reported on the R751 was the correct amount. We have since separated the overpayment cases on the CTS which will reduce the rounding differences in the future. All other overpayment cases listed on Appendix B, which make up the \$2,608,769, were adjusted on the December 30, 2000 report, except one \$728.19 overstatement which was adjusted on the March 31, 2001 report.

4. Reduce the Part A MSP accounts receivable balance \$3,516 in principle and \$3,313 in interest.

We concur that there was a mathematical error in the MSP amount transferred to the Regional Office. However, the amount transferred was part of the MSP Settlement Related Group Health Plan (GHP) identified in transmittal AB-00-11. Per Central Office instructions, these debts were adjusted off the RM751 and R751 reports as of December 30, 2000. Therefore, no adjustment is necessary.

5. Reduce the Part B non-MSP accounts receivable balance to reflect the 18 unsupported accounts totaling \$1,042,160.

We concur that we were unable to locate case files for these 18 overpayment cases. We will research our CTS database and contact the respective Contractors to obtain

the necessary information to re-create case files. If we are unable to obtain the necessary documentation, we will request authorization to write-off the debts.

6. **Establish a system of internal controls that will provide adequate and timely tracking of its collection activities, including sending demand letters, to ensure compliance with the DCIA requirements.**

We concur. We currently use CTS to track all overpayment cases at the Regional Office. In addition, a Central Office initiative has set a goal to refer all eligible debt to the Debt Collection Center (DCC) by September 30, 2002. We track the referrals as part of a monthly workload activity report submitted to CO. As of September 30, 2001, Region IV had referred approximately \$67 million to the DCC. We anticipate meeting our goal of 100 percent debt referral of all eligible debt by September 30, 2002.

7. **Change the status code for the 3 accounts receivable balances on the Part B 751 totaling \$201,186 to agree with the supporting documentation that shows the revised status.**

We do not concur. The PSOR instructions specify that the status code indicates the last status of the account. The last status of these accounts was a transfer to the Regional Office. We agree these cases were in bankruptcy and our internal tracking system shows the accounts as in bankruptcy.

8. **Reduce the overstated Part B non-MSP accounts receivable interest to reflect the 3 accounts receivable interest balances totaling \$357.**

For sample number 119, we concur that we used the wrong interest rate to calculate the interest; however, the case was written-off during the quarter ended June 30, 2001 because of a lawsuit settlement. Therefore, no adjustment is needed.

For sample number 124, we do not concur. We used the interest that corresponds to the determination date indicated on the PSOR. The Contractor is responsible for establishing the determination date. We reviewed the case file and found no evidence that the Contractor made an error in establishing the determination date. Also, during our CPE reviews of the Contractors we review and test their policies and procedures for establishing the determination date.

For sample number 153, we concur. The case was in our ending balance twice. We found this error during our reconciliation and corrected it as an adjustment in the December 30, 2000 report.

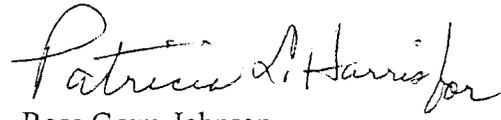
9. **Reduce the MSP accounts receivable balance to reflect the unsupported accounts receivable balance totaling \$2,832.**

We concur that the Contractor was unable to locate this case and therefore, the case was unsupported. However, the case was part of the GHP debt. Per Central Office

instructions, these debts were adjusted off the RM751 and R751 as of December 30, 2000 and therefore, no adjustment is needed.

10. **Transfer two MSP accounts receivable balances for \$4,114 that were incorrectly transferred to the RO.**

We concur. These cases were transferred back to the Contractor during the quarter ended December 30, 2000.


Rose Crum-Johnson
Regional Administrator