

10.4 - Electronic Transfer of Funds

(Rev. 30, 09-05-03)

The CMS, in conjunction with the Department of Treasury, may utilize electronic funds transfers. Interim and other types of payments are electronically sent to HCPPs through the Automated Clearing House (ACH). This process improves the efficiency of Federal financial management and also benefits the HCPPs.

The ACH provides online access to the Federal Reserve Communications System (FRCS), allowing payments to be made to financial institutions with access to the FRCS. For financial institutions that do not have access to the FRCS, HCPP payments can be paid through correspondent financial institutions or Federal Reserve Banks.

The ACH payment method eliminates mail and processing time associated with payment by check. The HCPP receives a payment through the HCPP's financial institution on the payment due date. This is a more secure and reliable method of making and receiving payment. The HCPPs electing the electronic transfer of funds must indicate this on the system setup sheet that is included in the agreement application. To initiate this process, the HCPP should contact the designated CMS Plan Manager.