

FM Accounts Payable Management	
Manage 1099	
Item	Details
Description	<p>The Manage 1099 business process describes how the State Medicaid Agency (SMA) handles IRS 1099 forms including preparation, maintenance, and corrections. Any payment or adjustment in payment made to a single Social Security Number (SSN) or federal Tax ID Number (TIN) impacts the business process.</p> <p>The Manage 1099 business process receives payment and/or recoupment information from the Process Claim business process or from the Manage Accounts Payable Information business process.</p> <p>The Manage 1099 business process may also receive requests for additional copies of a specific IRS 1099 form or receive notification of an error or a needed correction. The business process provides additional requested copies via the Manage Provider Communication or Manage Contractor Communication business processes. Staff researches error notifications and requests for corrections for validity and generate a corrected 1099 or a brief explanation of findings.</p>
Trigger Event	<p>Environment-based Trigger Events:</p> <ul style="list-style-type: none"> Request from a provider, state or federal agency. End of the calendar year. <p>State transition Trigger Events:</p> <ul style="list-style-type: none"> Receive information from Process Claim or Manage Accounts Payable Information business processes indicating payments and/or recoupments. Receive information from Manage Provider Information business process for modifications. Receive information from Manage Contractor Information business process for modifications.
Result	<ul style="list-style-type: none"> Updated and/or corrected 1099 information (i.e., form, file, paper, or Electronic Data Interchange (EDI) sent to providers, contractors, Internal Revenue Service (IRS), and other state agencies. Tracking information as needed for measuring performance and business activity monitoring.
Business Process Steps	<p><u>Preparation/Maintenance</u></p> <ol style="list-style-type: none"> START: Receive claim payment and adjustment information from Process Claim or Manage Accounts Payable Information business process. Match TIN or SSN. Update cumulative totals by applying all payments and recoupments, including those from cost settlements and manual checks. <ol style="list-style-type: none"> Prepare report of those not getting a 1099. Produce master report of 1099s. Review all 1099 reports for accuracy.

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	<p>4. Prepare 1099 at close of calendar year.</p> <p>5. Send 1099 to appropriate providers and contractors prior to January 31.</p> <p>6. END: Submit 1099 information to Internal Revenue Service (IRS).</p> <p><u>Alternate Path - Additional Requests</u></p> <p>1. START: Receive request for additional 1099(s).</p> <p>2. Agency logs request.</p> <p>3. Verify identity of requesting entity.</p> <p>4. Re-generate requested 1099(s).</p> <p>5. Send 1099 to requesting entity.</p> <p>6. END: Agency logs 1099(s) sent.</p> <p><u>Alternate Path - Corrections</u></p> <p>1. START: Receive notification of error or modification request from Manage Provider Information or Manage Contractor Information business processes</p> <p>2. Agency logs request.</p> <p>3. Verify identity of requesting entity.</p> <p>4. Research error or update request.</p> <p>5. If no error found, send alert to notify requesting entity of findings. END: Business process stops.</p> <p>6. If error found valid, make necessary modifications.</p> <p>7. Prepare corrected or updated 1099.</p> <p>8. Agency logs 1099 sent.</p> <p>9. Send corrected 1099 to affected parties.</p> <p>10. END: Submit corrected 1099 information to Internal Revenue Service (IRS).</p>
Shared Data	<p>Financial data store including accounts payable information</p> <p>Claim data store including payment information</p> <p>Contractor data store including demographics and 1099 information</p> <p>Provider data store including demographics and 1099 information</p> <p>1099 Information sent to Internal Revenue Service (IRS)</p>
Predecessor	<p>Receive Inbound Transaction</p> <p>Process Claim</p>

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	<i>Manage Accounts Payable Information</i> <i>Manage Provider Information</i> <i>Manage Contractor Information</i>
Successor	<i>Send Outbound Transaction</i> <i>Manage Provider Communication</i> <i>Manage Contractor Communication</i> <i>Manage Accounts Payable Information</i>
Constraints	The SMA will follow IRS regulations regarding 1099 requirements.
Failures	<ul style="list-style-type: none"> • Invalid format or media used.
Performance Measures	<ul style="list-style-type: none"> • Time to complete process: e.g., Real Time response = within __ seconds, Batch Response = within __hours • Accuracy of decisions = __% • Consistency of decisions and disposition = __% • Error rate = __% or less