TN 8 (08-02)

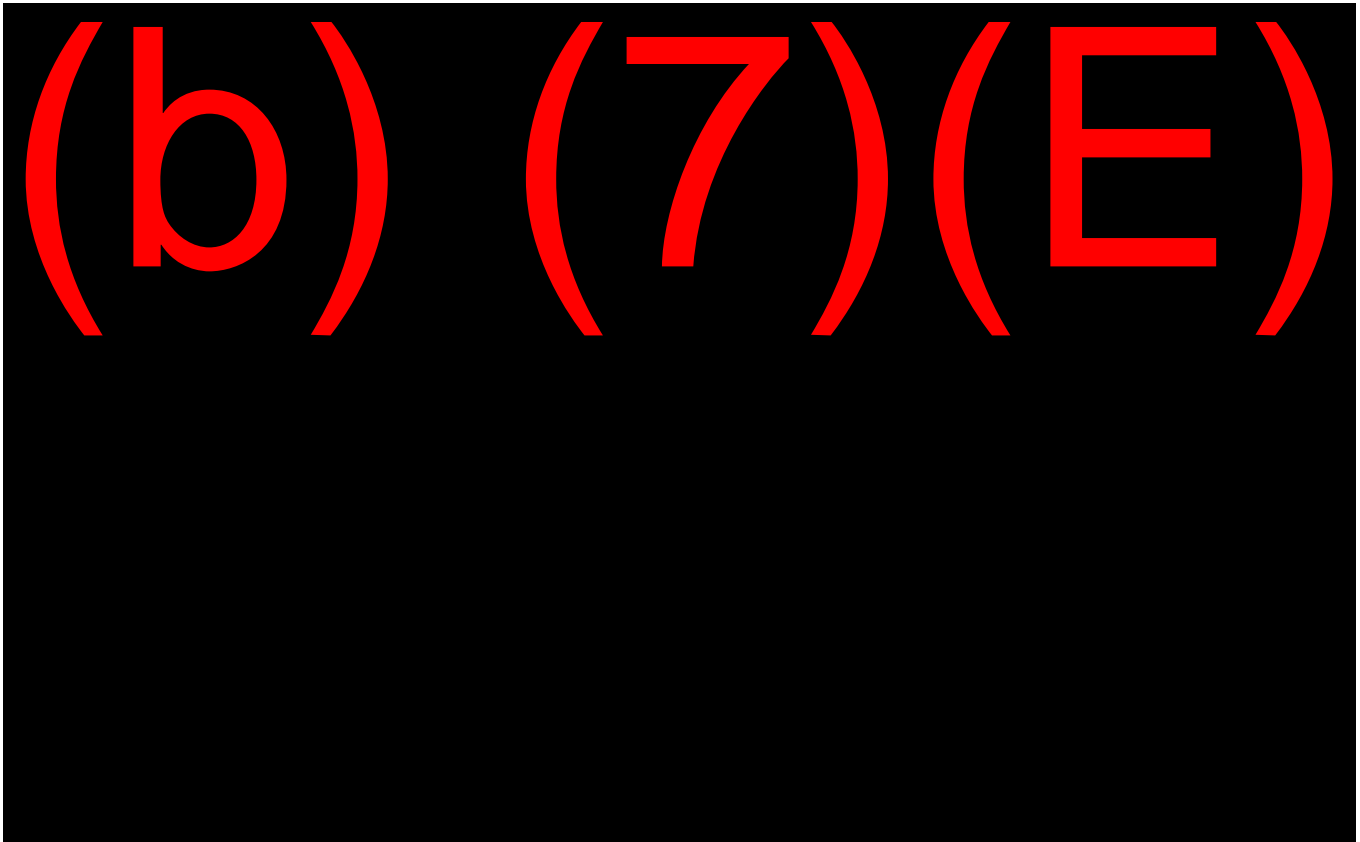# SM 01311.160 Automated Netting

A. INTRODUCTION

Effective September 2002, netting is automatically performed by the system in most situations. Described in the process section below, are the steps that the system takes to determine what additional amounts due are netted against excess payments on a record.

Manual netting can only be performed if the record and/or sequence is excluded from automated netting. **Reference:** SM 01311.165.

NOTE: Automated notices will be generated to provide information on how netting was used in the determination of an overpayment or underpayment. **Reference:** SI 02201.015

The following is the reaction of the system to automated netting.

B. PROCESS

(b) (7)(E)

NOTE: Federal and/or State Amounts Netted in PMTH are not added to OPC, because they are not overpayment collections.

7. If an underpayment remains after netting, the system will issue the underpayment per the existing underpayment processing rules.

8. If an overpayment remains after netting, the system will build an overpayment sequence or adjust an existing sequence.

C. PROCEDURE – TERMINATED RECORDS

To net on a terminated record, transmit a zip code (ZP field) to force the record to recompute. If a record is excluded from automated netting follow instructions in SM 01311.165.

D. REFERENCES

- Netting/Offsetting Overpayments against Underpayments, SI 02201.015

- Overpayment Decisions (UOPD), MSOM BUSSR 004.008

- Overpayment Sequence Data, SM 01601.880

- Sequence Selection (UOSS), MSOM BUSSR 004.003

- Update Sequence Data (UOSD), MSOM BUSSR 004.006

- Underpayment Adjustment Process, [SM 01310.410](#)

- Underpayment Processing (UOUP), MSOM [BUSSR 004.018](#)

Section History

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Prior Versions of Section

Effective Date	Title
10/22/2001 - 09/22/2002	How the System Reacts to Netting
09/21/2001 - 10/21/2001	How the System Reacts to Netting
06/22/1999 - 09/20/2001	How the System Reacts to Netting

Link to this section:

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