
CMS

CENTERS FOR MEDICARE & MEDICAID SERVICES

MEDICARE ADMINISTRATIVE CONTRACTOR

**WORKLOAD
IMPLEMENTATION
HANDBOOK**

(LEGACY-TO-MAC)

MEDICARE CONTRACTOR MANAGEMENT GROUP

02/02/12

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Substantive Revisions Incorporated into February 2, 2012 Version

The following is a list of the major revisions that have been incorporated into this February 2, 2012 version of the MAC Workload Implementation Handbook (Legacy-to-MAC). It should be noted that minor wording, editing, and format changes are not listed below and occur throughout the document.

Chapter 1:

- 1.1 Provided reference information on implementations involving a jurisdiction consolidation where the incoming MAC is the incumbent MAC for a portion of the consolidated jurisdiction.
- 1.1.2 Added Exhibit 12, Sample EFT Final Request Letter.

Chapter 2:

- 2.1.2 The term **Contracting Officer's Representative** has replaced Contracting Officer's Technical Representative in this section and throughout the handbook.

Chapter 3:

- 3.1 Provided reference information on implementations involving a jurisdiction consolidation where the incoming MAC is the incumbent MAC for a portion of the consolidated jurisdiction.

Chapter 4:

- 4.3.1; 4.3.2 Requirements for submission of the JIPP and SIPP have been clarified.
- 4.10.3.1; 4.10.3.2 Additional information regarding LCDs and edits has been added.

Chapter 5:

- 5.3 Information on base/non-base activities has been added.
- 5.5.1 Text has been revised to reflect the CMSnet wide area network.
- 5.9 This section has been revised to reflect the revised CMS-588 EFT form and placing non-compliant providers in DNF status. A sample EFT letter has been added as Exhibit 12.
- 5.10 Additional language has been added regarding access to CMS systems.

Chapter 6:

- 6.8 A new section has been added to discuss stop work dates at cutover.

Chapter 7:

- 7.2 Information on JOAs has been revised and placed in a separate section. The Recovery Audit Contractor is now known as the Recovery Auditor (RA). The Medicare Secondary Payer Recover Contractor (MSPRC) has been added to the JOA list.

**Substantive Revisions Incorporated into
February 2, 2012 Version**

Chapter 9:

- 9.2; 9.4 Language regarding peripheral system maintainers has been added.
- 9.9 Additional information has been provided regarding the pay forward process.
- 9.10; 9.10.5 References and information regarding the transfer files has been added.

Chapter 11 and Exhibit 7:

- 11.1.5 Expanded coverage regarding the project status meeting and meeting frequency.
- 11.2.1 – 11.2.4 Clarified submission requirements for the JIPP/SIPP and weekly updates.
- 11.2.5 Revised text for Implementation Project Status Report and submission requirements.
- 11.2.7 Revised language and reporting requirements for the issues log.
- 11.2.8; 11.2.9 Clarified submission requirements for the test plan and updates.
- 11.2.10; 11.2.11 Clarified submission requirements for the communication plan and updates.
- 11.2.12; 11.2.13; Clarified submission requirements for the risk management plan and updates.
- 11.2.15 Revised reporting requirements for the employment report to weekly.

Chapter 12:

- 12.2 Revised submission requirements for the communications plan and updates.

Chapter 14:

- 14.3.4 Revised submission requirements for the risk management plan and updates.

Exhibit 7: Changes were made to the exhibit to reflect the changes described throughout Chapter 11.

Exhibit 12: A new exhibit was added to provide a sample EFT final request letter.

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Chapter 1: INTRODUCTION

1.1 Medicare Administrative Contractor Workload Implementation Handbook

The Medicare Administrative Contractor (MAC) Workload Implementation Handbook was prepared by CMS to assist an incoming MAC with the transfer of claims administrative functions from a Medicare carrier or intermediary whose contract is ending. The handbook represents a compilation of best practices, lessons learned, and over 30 years of CMS experience in overseeing Medicare workload transitions. It describes the basic responsibilities and processes required to move Medicare data, records, and operational activities from an outgoing carrier/intermediary so that the incoming MAC will be able to perform its Medicare contractual obligations. While both the incoming MAC and outgoing carrier/intermediary are responsible for accomplishing various activities during the transition, this handbook is intended for use by the incoming MAC. A similar Carrier/Intermediary Workload Closeout Handbook has been developed for the outgoing contractors.

Every Medicare workload transition will vary depending on the unique circumstances and environment of the Medicare contractors involved. There may be activities and processes described in this handbook that will not be applicable to a specific implementation. There may also be activities that will need to be performed that the handbook does not cover. It should also be noted that the handbooks are written from the perspective of a contractor leaving the Medicare program. Not all of the activities described in this handbook will be applicable to those contractors who are moving only a portion of their workload to a MAC and will continue to process other Medicare claims. The handbook cannot identify and address all of the variations that may occur during a workload transition, nor all of the tasks for which the incoming MAC will be responsible. However, it will provide the framework for a successful workload implementation and guidance in addressing situations as they arise.

If the incoming MAC has been awarded the contract for a consolidated jurisdiction involving legacy contractors and is already an incumbent MAC for a portion of the jurisdiction that it has been awarded, there will be contract transition activities that will need to be performed. These activities are covered in **Chapter 15 of the Workload Implementation Handbook for Administrative Contractor Jurisdictions (MAC-to-MAC)**. The incoming MAC should reference the chapter as it pertains to the implementation that the MAC is undertaking.

If the incoming MAC has been awarded a contract for a Part A/Part B jurisdiction that also includes a Durable Medical Equipment (DME) jurisdiction, the MAC should also

reference the abovementioned handbook for applicable sections that pertain to DME implementations.

This **02/02/12** version of the MAC Workload Implementation Handbook is comprised of **14** chapters, **12** exhibits, and an index. It supersedes all other versions.

1.1.1 Chapters

1. **Chapter 1: Introduction** provides an introduction to the Handbook and the goals for a successful workload transition.
2. **Chapter 2: CMS Organization** provides information on the duties and responsibilities of CMS's transition oversight staff.
3. **Chapter 3: Getting Started** describes the activities that are necessary to start the implementation process. It discusses establishment of the implementation team, kickoff meetings, and the organization and function of transition workgroups. The chapter also addresses initial notification activities.
4. **Chapter 4: Implementation Management** discusses the approach that a MAC should take for the implementation project. It includes the assessment of the outgoing contractor's Medicare operation and a discussion on information and deliverables required from the carrier/intermediary.
5. **Chapter 5: Obtaining Resources and Establishing Infrastructure** provides helpful information about personnel and facilities preparation. The chapter also covers hardware/software and telecommunication requirements, data center information, and electronic data interchange (EDI).
6. **Chapter 6: Transfer of Carrier/Intermediary Operations** describes the activities associated with moving the actual workload and Medicare functions of the carrier or intermediary. This includes analyzing the various functional areas, file transfer activities, asset inventory, and miscellaneous operational considerations.
7. **Chapter 7: Interaction with Other Transition Organizations** discusses the major organizations with which the MAC will work during the implementation and the basic responsibilities of each.
8. **Chapter 8: Testing** discusses the establishment of a test plan. It also describes the various tests that the MAC may perform in order to ensure that it will be able to process claims and perform its Medicare functions.
9. **Chapter 9: Cutover** covers the actual migration of records, files, and data (both physically and electronically) to the MAC, as well as any resources and infrastructure. The chapter also provides information on cutover plans, system dark days, and the release of the payment floor.

10. **Chapter 10: Post-Cutover** describes the activities that occur after cutover, including workload reporting and lessons learned.
11. **Chapter 11: CMS Monitoring Requirements** provides information on the various meetings that are necessary during a transition. It also describes the reporting requirements so that CMS may monitor the MAC's implementation progress.
12. **Chapter 12: Communications** discusses the approach and tasks associated with providing information about the transition to all direct and indirect stakeholders in the transition. This includes providers, beneficiaries, trading partners, medical and specialty groups, government officials, advocacy groups, and other interested parties.
13. **Chapter 13: Financial Processes** provides information on the financial activities required to move the Medicare workload. It discusses cash management and banking tasks, the accounts receivable reconciliation, and 1099 issues. There is also a section that provides information on invoices and payment protocols.
14. **Chapter 14: Risk Management** discusses risk management processes including risk assessment, risk mitigation, and contingency plans.

1.1.2 Exhibits

Exhibit 1 Transition Phases and Terminology

Exhibit 2 MAC Contract Administrative Structure

Exhibit 3 Major Tasks and Activities Associated with a Workload Transition

Exhibit 4 Outgoing Contractor Information/Documentation

Exhibit 5 Files to be Transferred to a Medicare Administrative Contractor

Exhibit 6 Sample Post-Cutover Workload Report

Exhibit 7 MAC Workload Implementation Meeting and Documentation Guide

Exhibit 8 Workload Transition Lessons Learned—January 2012

Exhibit 9 Glossary

Exhibit 10 Acronyms

Exhibit 11 File and Record Transfer Plan Contents

Exhibit 12 Sample EFT Final Request Letter

1.1.3 Index

1.2 Transition Phases

While there are multiple parties involved in a Medicare workload transition, there are three major participants: the incoming contractor (MAC), the outgoing contractor (carrier or intermediary) and CMS. Each transition has three phases or periods. For a MAC, the three phases of a Medicare workload transition are identified as: pre-award, implementation, and post-cutover.

The **pre-award phase** is comprised of the activities associated with preparing and submitting a MAC proposal. The **implementation phase** covers the activities associated with establishing a MAC operation and the transfer of data, records, and functions from the various carriers and intermediaries within its jurisdiction. It begins with the award of a MAC contract and ends with the last cutover from an outgoing contractor or segment. The **post-cutover phase** begins with the segment operational start date and continues for a period of time, usually three months. During this time CMS closely monitors MAC operations to determine if the segment implementation was successful and to ensure that all implementation issues have been resolved.

This handbook provides information that will assist the MAC in all three phases of the transition. However, its primary focus is on the **implementation** and **post-cutover** phases of the incoming contractor. **Exhibit 1** provides a graphic representation of terminology for the major transition participants.

1.3 Segment Implementations

The establishment of a fully operational MAC jurisdiction will involve segment implementations, the number of which will depend on the number of Medicare carriers and intermediaries that are serving the states within the jurisdiction. Each segment implementation involves the movement of Medicare data, files, and functions from an existing Medicare carrier or intermediary to the MAC. Workload implementation periods have ranged from 3-8 months, depending on the size of the outgoing contractor and numerous other factors. Most implementations, however, are 5-6 months in length. The length and sequence of individual segment implementations must be developed using the requirements and assumptions provided in the MAC Request for Proposals (RFP) and resultant contract. The duration and sequence of the segment implementations must be incorporated into the MAC's Jurisdiction Implementation Project Plan, which will be approved by CMS.

The MAC will begin to perform Medicare functions as soon as the first segment cutover has occurred. This will be the Segment Operational Start Date. As each segment cutover in the MAC jurisdiction occurs, there will be another Segment Operational Start Date and the MAC's Medicare administrative responsibilities will expand over a wider area of its jurisdiction until it is fully operational in all states within its jurisdiction. This will be the Jurisdiction Operational Start Date, which is defined as the date when Medicare functions

are no longer performed by any carrier or intermediary whose workload the MAC contractually assumed.

1.4 Terminology

For purposes of this handbook, the Medicare Administrative Contractor who will be assuming the Medicare functions of the outgoing carrier or intermediary is referred to as the **“incoming contractor.”** Both “MAC” and “incoming contractor” are used interchangeably.

The term **“outgoing contractor”** refers to a carrier or fiscal intermediary (or simply intermediary) that is performing Medicare claims processing functions under a Part A Plan subcontract agreement with the Blue Cross and Blue Shield Association (BCBSA) or a Part B contract. These contractors are also known as **“legacy contractors.”** The terms “outgoing contractor”, “carrier/intermediary”, and “legacy contractor” are used interchangeably throughout this handbook. Legacy contractors may also be referred to as “Title XVIII contractors,” but this term should be avoided because the MAC contracts are also entered into under Title XVIII of the Social Security Act.

A **“workload transition”** is defined as the period of time that encompasses the movement of Medicare operations from a carrier/intermediary to a MAC. The term **“implementation”** is used for those activities performed by the incoming MAC during a workload transition. The term **“closeout”** is used for those activities performed by the outgoing carrier/intermediary.

The term **“provider”** is used in the broad sense of the word, meaning anyone providing a Medicare service; i.e., institutional provider (hospital, skilled nursing facility, rural health clinic, federally qualified health center, or home health agency), physician, non-physician practitioner, or supplier.

1.5 Goals of a Successful Workload Transition

All of the organizations involved in a workload transition have a responsibility to ensure that the transition is conducted properly and that their contractual obligations are met. While each component has different roles and responsibilities during a transition, the goals remain the same:

- There is minimal disruption to beneficiaries;
- There is minimal disruption to providers, physicians and suppliers;
- There is no disruption of claims processing and Medicare operations;
- The transition is completed on schedule within the required time period;
- Actual costs represent effective and efficient use of resources; and,

- All parties with an interest in the transition (whether direct or indirect) are kept informed of the transition's status and progress.

In order to accomplish these goals, there must be proper project planning and management by the Medicare Administrative Contractor, maintenance of existing Medicare operations by the outgoing carrier or intermediary, and comprehensive oversight by CMS. All parties involved in the transition must cooperate fully and communicate constantly with all other parties at every level. This handbook will help the incoming MAC achieve the abovementioned transition goals and meet its contractual obligations during the implementation period of performance.

Chapter 2: CMS ORGANIZATION

There will be a number of CMS staff responsible for overseeing the implementation activities of the MAC and the closeout activities of the carrier/intermediary. Listed below are the individuals who will monitor MAC implementation activities, along with a description of their responsibilities. Also discussed are the individuals who will be responsible for the closeout activities of the outgoing carrier/intermediary's legacy contract.

2.1 CMS Contract Administration Personnel – MAC Contracts

The following individuals will be responsible for monitoring the implementation and/or operational activities of the Medicare Administrative Contractor. They will also interact with the carrier/intermediary in various meetings and workgroups. A CMS administrative organizational chart for the MAC contracts is shown in **Exhibit 2**.

2.1.1 *MAC Contracting Officer*

The MAC Contracting Officer (CO) has the overall responsibility for the Medicare Administrative Contractor and is the only person authorized to enter into and bind the government by contract. He/she is the individual that negotiates and prepares the MAC contract document, modifies any terms or conditions of the contract, accepts delivered services, and approves invoices for payment. While a single person could serve as both the carrier/intermediary CO and the MAC Contracting Officer, in the present CMS organizational structure they are two different individuals. The CO will normally have a Contract Specialist to assist with the contractual administration of the MAC contract.

2.1.2 *MAC Contracting Officer's Representative*

The MAC Contracting Officer's Representative (COR) serves as the first point of contact for the MACs. He/she is the focal point for the exchange of information and the receipt of programmatic approvals on deliverables and other work under the MAC contract. The COR is the technical representative of the MAC Contracting Officer and provides technical direction to the MAC, as necessary, for all of the business functions contained in the MAC statement of work. He/she also monitors the contract performance of the MAC and reviews payment invoices. The COR may designate various business function leads and technical monitors to support the administration of the MAC contract. The Contracting Officer's Representative position was formally known as the Contracting Officer's Technical Representative (COTR) and prior to that was known as the Project Officer (PO).

2.1.3 *MAC Implementation Lead*

The Implementation Lead (IL) will serve in a specialized technical capacity to the Contracting Officer's Representative (COR) during the incoming MAC's implementation. The MAC Implementation Lead (IL) will be the COR's representative for the overall MAC jurisdiction implementation and will serve in a specialized technical capacity to the COR. The Implementation Lead will manage CMS's oversight of the jurisdiction transition and coordinate MAC implementation activities with the carrier/intermediary Contractor Managers and the functional contractor CORs. He/she will also resolve issues involving the various segment transitions within the jurisdiction.

The Implementation Lead, as a representative of the COR, will provide technical guidance and direction to the MAC. The IL will also work with the Medicare Implementation Support Contractor (MISC) to oversee the segment implementations within the jurisdiction.

The Implementation Lead will work with business function leads (BFLs) concerning implementation issues. He/she will also coordinate implementation activities with the CORs of the functional contractors involved in the MAC implementation. The IL will conduct problem solving/trouble shooting during the implementation and be responsible for reporting to senior management. In addition, the Implementation Lead will review invoices for jurisdiction implementation activities and provide recommendations to the COR.

2.1.4 *Medicare Implementation Support Contractor*

Because of the number of implementations and the limited staff available for oversight, CMS has entered into a contract with Chickasaw Nation Industries (CNI) for a Medicare Implementation Support Contractor (MISC). The MISC will provide the project management support and the oversight services needed by CMS to monitor the implementation activities of the MACs and functional contractors. The contractor will be providing these oversight activities for each segment within a jurisdiction.

There will be a MISC business analyst (BA) assigned to each jurisdiction. The business analyst's primary responsibility will be the segment implementations. The Medicare Implementation Support Contractor will have direct access and interaction with the MAC and outgoing contractor staff involved in the implementation. The BA will be a member of transition workgroups and attend all meetings associated with those workgroups. He/she will also attend general jurisdiction status meetings and teleconferences. The BA will work closely with the Implementation Lead and will be the point person for segment implementation activities.

The MISC will share comments, concerns and recommendations directly with the MAC when appropriate. However, **the MISC does not have authority to provide technical direction to the MAC.**

The MISC Government Task Leader (GTL) will be primarily responsible for managing the MISC task order under the CNI contract. The GTL represents the Contracting Officer's Representative for the technical aspects of the Medicare implementation support activities under the CNI contract and may provide technical direction under the auspices of the COR. The GTL will interact with the Implementation Lead throughout the implementation to obtain information on the MISC's performance and resolve any issues that may occur.

2.1.5 Business Function Lead

Business Function Leads are subject matter experts on specific program areas such as appeals, audit and reimbursement, provider enrollment, etc. Business Function Leads (BFLs) work closely with the COR and may be called upon to assist the COR in the implementation and administration of a MAC contract. BFL's are normally located in CMS Central Office and may monitor technical progress and perform evaluations and inspections. They will identify workload issues or concerns regarding the MAC's adherence to particular standards, instructions, or policies. Business Function Leads will support the COR on an as needed basis, acting as a technical representative for their specific business function. They may also assist the COR with specific functional inquiries and technical issues. In addition, BFLs will review monthly invoices pertaining to their functional area and make payment recommendations to the COR. However, **BFLs do not have the authority to provide technical direction or make any contractual commitments or changes on behalf of CMS.**

2.1.6 Technical Monitor

Technical Monitors (TMs) are Regional Office personnel who may provide information and oversight on contractor performance and help the COR facilitate or resolve issues, particularly those from beneficiaries and providers. The TM will monitor the MAC's technical progress in accordance with the Quality Assurance Surveillance Plan (QASP) and will serve as a communication focal point for CMS both internally and externally. The TM may assist the BFL in performing technical evaluations and inspections and may also provide input to monthly and quarterly contract administration meetings. In addition, Technical Monitors may perform on-site validations of accounts receivable and accounts payable. **TMs do not have the authority to provide technical direction or make any contractual commitments or changes on behalf of CMS**

2.2 CMS Contract Administration Personnel - Carrier/Intermediary Contracts

The following are the key CMS individuals (along with the above-mentioned Implementation Lead) that the carrier/intermediary will interact with regarding the activities related to the closeout of its Medicare operations and transfer of data, records and files to the incoming Medicare Administrative Contractor.

2.2.1 Carrier/Intermediary Contracting Officer

The carrier/intermediary Contracting Officer has the administrative responsibility for the outgoing contractor's Title XVIII Medicare contract. The carrier/intermediary Contracting Officer has overall responsibility for the carrier/intermediary's closeout activities and negotiating termination and transition costs. The outgoing CO will normally have a Contract Specialist to assist with the contractual administration of the outgoing carrier/intermediary contract.

2.2.2 Contractor Manager

The Contractor Manager is the CMS individual responsible for monitoring the day-to-day operational activities of the outgoing legacy contractor. He/she will be responsible for ensuring that the carrier/intermediary continues to maintain its overall operation and performance during the closeout period. The Contractor Manager will work closely with the Implementation Lead to ensure that the carrier/intermediary cooperates with the MAC during the transition and that all Medicare files, records, and data are successfully transferred to the incoming Medicare Administrative Contractor.

Chapter 3: GETTING STARTED

3.1 Contract Award

The MAC Contracting Officer will place a call to inform the successful offeror of its MAC contract award. This will start the implementation phase of the transition. Unsuccessful offerors will also be notified and CMS will issue a press release. The MAC may also want to issue its own press release; if so, CMS will provide input and review the content prior to release.

If the incoming MAC has been awarded the contract for a consolidated jurisdiction involving legacy contractors and is already an incumbent MAC for a portion of the jurisdiction that it has been awarded, there will be contract transition activities that will need to be performed. These activities are covered in **Chapter 15** of the **Workload Implementation Handbook for Administrative Contractor Jurisdictions (MAC-to-MAC)**. The incoming MAC should reference the chapter as it pertains to the implementation that the MAC is undertaking.

3.2 Initial Transition Activities

The MAC's implementation team will be composed of a Project Manager and staff who are responsible for the major implementation tasks shown in the Jurisdiction and Segment Implementation Project Plans (see **Chapter 4.3**). A team member will usually be assigned to be the lead for each major implementation task or workgroup and will report directly to the Project Manager.

An internal meeting with all key MAC implementation members (project manager, business analysts, potential workgroup leaders, and subject matter experts) should be held after contract award to plan and prepare for the upcoming project and to handle administrative details. Based upon the length of time or technical/policy changes that have occurred since the MAC submitted its Final Proposal Revision, the project organization and workgroup structure may need to be revised and/or expanded. A final organization chart and contact list should be developed in preparation for the kickoff meeting. There may also be additional transition tasks or CMS-directed schedule date changes that will need to be considered. In addition, the MAC should begin to baseline the Jurisdiction Implementation Project Plan. Tools to assist the team in managing the project can be identified and discussed. Team training in project management, financial tracking (data, cost analysis), and administration (software applications, reports, general project communication) may also be helpful. Internal procedures for meetings and communications should be agreed upon. It is also strongly suggested that team members review **Exhibit 11, Workload Transitions Lessons Learned** in its entirety and incorporate applicable lessons learned into its implementation project plans and activities.

The outgoing carriers/intermediaries will form closeout teams composed of a Project Manager and staff responsible for contract closeout activities. The outgoing contractors' closeout teams shall work directly with the MAC for the orderly transfer of all Medicare functions. Information regarding the outgoing contractors' closeout teams will be provided at the kickoff meeting.

3.3 Contact with Outgoing Contractor

After CMS has publicly announced the contract award and implementation schedule, the MAC may contact the outgoing contractors in the jurisdiction. Contact is usually made by upper management, and will serve as an introduction to the MAC. Areas of discussion may include the outgoing contractor's plans for its Medicare employees, any proposed retention of staff by the incoming MAC, communication, commitment of the organizations, any schedule date changes that may have occurred after the RFP was issued, and any immediate problems or issues that need to be addressed before the kickoff meeting. The MAC may also make introductory calls to the major professional organizations (medical societies, hospital associations, specialty groups, etc.) within the jurisdiction, with follow-up calls as each segment implementation begins. It may also want to make initial contact with the various state Congressional delegations.

In the days immediately following the award announcement, the MAC must understand that it may be difficult to have extensive contact with certain outgoing contractors because they may still be trying to deal with the loss of the jurisdiction contract. Those contractors may be assessing their options, addressing employee concerns, or preparing to protest the award. It is also possible that the outgoing contractor is only losing a portion of its workload and may be competing against the incoming MAC for future jurisdictions. All of this may result in little information initially being provided to the MAC.

The incoming MAC must take these possibilities into account when it initiates contact with the outgoing contractor and be cognizant of the outgoing contractor's situation when communicating and requesting information. If the outgoing contractor has already indicated that it is leaving the Medicare program, general communication should not be an issue.

3.4 Outgoing Contractor Employee Notification

After award announcement, the carriers and intermediaries who were not awarded the contract will begin to plan for their contract closeout. If the MAC has an interest in hiring any of the outgoing contractor's Medicare employees, it should inquire about the carrier/intermediary's plans for those employees. If the outgoing contractor will not be retaining its Medicare staff, the MAC should indicate the possibility of making employment offers to some or all of its employees. Plans should be coordinated with the carrier/intermediary to notify the employees affected and a face-to-face meeting should be scheduled as soon as possible. Commitment of the outgoing contractor's employees is critical to the success of any transition. Obviously, knowledge that jobs will be retained

will greatly facilitate the transition process and alleviate fears regarding employees' futures.

If the MAC will be hiring a significant number of outgoing contractor staff, a human resources representative from the MAC may be able to have regularly scheduled meetings at the carrier/intermediary's site to address employee concerns and provide detailed information about employment and benefits. An analysis of the outgoing contractor's employee benefits will need to be done as soon as possible, and an explanation of the differences between the two organizations' benefits should be available to outgoing contractor staff. Meetings should be scheduled with staff to be hired to discuss differences in benefits and provide information on what will occur at cutover. The MAC may also be able to contribute transition-related articles to the outgoing contractor's employee newsletter.

3.5 Jurisdiction Kickoff

Jurisdiction kickoff is normally composed of 3-5 separate meetings that may be conducted over a several day period. Jurisdiction kickoff is intended for all parties involved in any of the segment transitions that will occur within the jurisdiction, but not all parties will attend every meeting. There will be a minimum of three meetings held at kickoff: the **MAC pre-meeting**, the **outgoing contractor pre-meeting**, and the general **jurisdiction kickoff meeting**. Kickoff may also include a **segment kickoff meeting** if a segment implementation is scheduled to begin at contract award. In addition, the **post-award orientation conference** that is conducted by the MAC Contracting Officer may be held as part of the kickoff, if the conference has not already been held.

Jurisdiction kickoff is generally held within 30 days of contract award or the effective date of the contract after a protest has been resolved. The meetings will be held in the Baltimore, Maryland metropolitan area, unless CMS determines another location would be more appropriate. The MAC will be responsible for providing facilities for all of the jurisdiction kickoff meetings that will take place, providing toll-free phone lines for off-site participants, developing an agenda (with input from other participants), and notifying potential attendees. In the unlikely event that the kickoff would be held at a CMS facility, then CMS would be responsible for making facility and teleconferencing arrangements. Meeting minutes and an attendance sheet/contact list shall be prepared by the MAC and sent to all those in attendance.

Normally, each of the kickoff meetings can be completed in a half day (3-4 hours of concentrated meeting time). The exception would be the post-award orientation conference, which generally takes 1-2 hours. In-person attendance at each of the meetings will vary, depending on a number of factors. However, the general jurisdiction kickoff meeting will draw the largest number of attendees (anywhere from 30-40 people). The MAC should have a meeting room with tables that will accommodate the jurisdiction meeting and several smaller rooms would be beneficial should there be the need for any smaller conferences or workgroup breakout sessions. The CMS Implementation Lead will work with the MAC in preparation for the kickoff activities.

3.5.1 *MAC Pre-Meeting*

3.5.1.1 Purpose

The MAC pre-meeting is a meeting conducted by CMS and the Medicare Implementation Support Contractor (MISC) with the incoming Medicare Administrative Contractor. It deals with information that pertains exclusively or primarily to the incoming contractor and will be held before the jurisdiction kickoff meeting. The meeting will discuss issues that have arisen since contract award, review CMS's expectations and administrative requirements for the project, and make final preparations for the conduct of the jurisdiction kickoff meeting.

3.5.1.2 Topics of Discussion

Topics for discussion will include:

- Introduction of the CMS implementation team & contract administration structure;
- CMS project monitoring: reporting requirements, meetings, and contract deliverables;
- Introduction of the Medicare Implementation Support Contractor and discussion of its role in the project;
- Revision of Jurisdiction/Segment Implementation Project Plans (if the award has been delayed) and review of segment implementation schedules/cutover dates;
- Agreement on the key assumptions made in the MAC's proposal;
- Workgroup discussions: number of workgroups, meeting times, toll-free numbers;
- Deliverables lists for outgoing contractors;
- New jurisdiction workload numbers (including the number of workloads in each CICS region to be identified and confirmed with CWF);
- Due diligence/on-site visits;
- Workload splits (if applicable);
- Lessons learned from previous MAC implementations;
- Discussion of MAC's agenda and presentation for the jurisdiction kickoff meeting; and
- Areas of immediate focus such as communications/provider relations, file transfer and storage, new EFT form CMS-588, Change Requests since proposal submission, and SOW changes; and

The incoming MAC will have submitted its proposal using the implementation schedule provided in the Request for Proposal (RFP). It is possible that CMS may direct the MAC to revise its overall jurisdiction plan based on schedule changes or other considerations. Should this be necessary, CMS will negotiate with the MAC to reach agreement on a revised schedule and any additional costs associated with the changes. The contract will be modified accordingly.

3.5.2 *Outgoing Contractor Pre-Meeting*

This meeting is conducted by CMS with the outgoing contractor. Since these contractors will be present for the jurisdiction kickoff meeting, it provides an opportunity for CMS to discuss issues of importance solely related to contractors who are leaving the program or losing a portion of their workload. The outgoing contractor pre-meeting may be scheduled before or after the MAC pre-meeting, but generally it is held concurrently. The pre-meeting may be a joint meeting with all outgoing contractors or separate meetings with each contractor. Topics will include closeout financial issues, reporting, staffing and workload issues, accounts receivable review, and file storage/transfer.

3.5.3 *Jurisdiction Kickoff Meeting*

While other meetings during kickoff will have limited audiences, the jurisdiction kickoff meeting is intended for all parties involved in any of the segment transitions that will occur. This meeting is sometimes referred to as the general kickoff meeting.

3.5.3.1 Purpose

The purpose of the jurisdiction kickoff meeting is to understand, organize, and coordinate activities among all parties involved in the transition. It provides the opportunity to meet face-to-face to discuss the approach to the MAC jurisdiction transition, go over the schedule, review roles and responsibilities, and address any concerns about the upcoming segment transitions. While there may be some detailed technical discussion, the meeting is not intended to be at the level that would require all of the functional and technical leads that the MAC may be utilizing in its implementation effort; those individuals would be expected to attend the segment kickoff meeting. Attendance would normally include the MAC's operational and implementation project directors and a limited number of implementation project team members, such as the IT lead.

3.5.3.2 Participants

All parties directly involved in the jurisdiction transition should be invited to attend. This includes CMS, the MISC, appropriate MAC personnel, the outgoing carriers and intermediaries, the Blue Cross and Blue Shield Association (for fiscal intermediaries with Plan agreements), applicable EDC and any contractor data centers, any front-end contractors, any organization(s) that will be moving Medicare workload to the MAC during the transition or will process some portion of the outgoing contractors' workload, shared system maintainers, and functional contractors such as the Zone Program Integrity Contractor (ZPIC)/Program Safeguard Contractor (PSC), Qualified Independent Contractor (QIC), and the Beneficiary Call Center (BCC). Attendance may be in person or via teleconference. CMS will work with the MAC to develop the list of individuals/organizations that should be invited to the meeting.

3.5.3.3 Topics of Discussion

The jurisdiction kickoff meeting will give a high level overview of the transition project. The MAC will be requested to make a corporate introduction and describe its Medicare organization and operation. The MAC should also discuss its implementation team/organization, its implementation approach, and provide an overview of its Jurisdiction Implementation Project Plan (see **Chapter 4.3.1**). Much of the information presented will normally be drawn from the MAC's proposal or any oral presentations supporting the proposal. Other entities involved in the project may also be asked to provide an overview of their transition activities and interactions with the MAC. In addition, CMS will discuss its implementation expectations, review reporting and meeting requirements, and present its transition team organization.

The MAC's due diligence review will be discussed, along with deliverables that are being requested from the outgoing contractors. Proprietary issues regarding the MAC's interaction with the outgoing contractors will also be discussed. Any Deliverables List, action item list, or problem/issue log that is developed as a result of the kickoff meeting should be distributed as soon as possible after the meeting. The Deliverables List will serve as documentation for all the information the outgoing contractors need to provide to the MAC (see **Chapter 4.12**). The coordination of communication activities will also be discussed.

Transition workgroups will be a key topic of discussion at the meeting (see **Chapter 3.6**). The MAC will be expected to work with the outgoing contractors and other attendees to establish jurisdiction-wide transition workgroups and agree on their basic responsibilities. These jurisdiction-wide workgroups and their functions should be in place for the entire jurisdiction implementation. However, in a number of transitions, some or all of the workgroups and their remaining activities have been consolidated into the cutover workgroup when the cutover period gets underway. This expanded cutover workgroup will then address all remaining issues and tasks as the workgroup coordinates the remaining cutover activities.

All outgoing contractors involved in the transition will have to structure their closeout activities utilizing the workgroups. Therefore, it is critical that agreement be reached with all of the outgoing contractors as to what workgroups will be established and the major responsibilities for each group. The MAC should request a workgroup contact list (name, telephone number, e-mail address, office location, etc.) from the outgoing contractor and any other organization that will have membership in a transition workgroup.

After the jurisdiction kickoff meeting is completed, the MAC should review the project schedule and the Jurisdiction Implementation Project Plan (JIPP), as well as the upcoming Segment Implementation Project Plans, risk management plans, and communications plans to make any appropriate revisions based on the discussions that took place during the meeting.

3.5.4 Segment Kickoff Meeting

The segment kickoff meeting may or may not be a part of the jurisdiction kickoff. If it is, it will represent the formal start of the process of moving Medicare data, records, and operations from an outgoing carrier or intermediary to the MAC. It will be similar to the Jurisdiction Kickoff Meeting in concept, but will be focused on the detailed technical and functional activities required for a specific segment transition.

3.5.4.1 Purpose

The segment kickoff meeting allows all parties involved in a segment transition to meet face-to-face to review the project expectations, discuss roles and responsibilities, and to organize and coordinate activities. The meeting will also help ensure that there is agreement among all participants regarding the tasks involved, project assumptions, and schedule. In addition, any emerging issues and/or changes that have occurred since contract award will be discussed, as will any lessons learned from prior segment transitions within the jurisdiction or other jurisdictions.

3.5.4.2 Preparation

The MAC will be responsible for setting up the kickoff meeting for each segment implementation within its jurisdiction and shall consult with CMS regarding the time and location of such meetings. The meetings may be held at the proposed operational site or the corporate headquarters of the MAC; but generally they are held by teleconference if the meeting is not part of the jurisdiction kickoff.

The first segment kickoff meeting(s) normally will be held as part of the jurisdiction kickoff, but there may be circumstances that dictate that the meeting(s) be held at a later time. The kickoff meetings for segments that will begin after the first round of segment kickoff meetings should take place within 10-15 days of the scheduled start date of that segment implementation. For segment kickoff meetings not occurring during jurisdiction kickoff, the incoming MAC should meet with the CMS transition team prior to the meeting to discuss the agenda, materials to be handed out, and presentations that will be made.

All MACs will have to conduct multiple segment implementations in order to become fully operational. It is possible that there will be more than one segment implementation starting in the same month. If this occurs, the MAC will need to coordinate the scheduling of the kickoff meetings with CMS and the outgoing contractors of the segments. Normally, each segment implementation will require its own kickoff meeting; however, it is possible that the integration of segments in the project plan would allow for one kickoff meeting to cover multiple segment implementations. If there is HIGLAS involvement in the segment, there will normally be a HIGLAS kickoff meeting that will occur relatively close to the segment kickoff meeting.

The MAC will be responsible for setting up the facilities for the segment kickoff meeting, providing toll-free phone lines for off-site participants, developing an agenda (with CMS input), and notifying attendees. Meeting minutes and an attendance/contact list shall be prepared by the MAC and sent to all those in attendance.

3.5.4.3 Participants

All parties directly involved in the segment transition should be invited to attend: CMS (including the MISC), appropriate technical and operational MAC personnel, the outgoing segment contractor, any organization other than the MAC that will be responsible for processing a portion of the outgoing contractor's Medicare workload, representatives from the applicable data center(s), shared system maintainers, the Blue Cross and Blue Shield Association (for fiscal intermediaries with Plan agreements), any front-end contractor, IT services companies, and functional contractors (e.g., PSC, QIC, BCC). Attendance may be in person or via teleconference. All of the key members of the MAC's segment implementation team should be in attendance as well as most, if not all, of the anticipated workgroup heads.

Since detailed information and operational procedures may be discussed, attendance at the segment kickoff meetings should include more technical and functional experts than necessarily would be in attendance at the jurisdiction kickoff meeting. The MAC must have representatives present with the authority to establish project commitments and approvals on behalf of the organization.

3.5.4.4 Topics of Discussion

The MAC will be requested to make a corporate introduction, describe its Medicare organization, and discuss its implementation team and structure. This presentation would be similar to the one made at the Jurisdiction Kickoff Meeting, but geared to the specific segment implementation. The Segment Implementation Project Plan (SIPP) should be distributed (see **Chapter 4.3.2**) and an overview of the plan and the MAC's implementation approach provided. Input from attendees will be used by the MAC to prepare the "baseline" SIPP that will be submitted to CMS within 30 days of the meeting. The outgoing contractor will make a presentation regarding its organization, closeout plan, and project team. The carrier/intermediary should also discuss any pilot projects, unique working relationships or workloads, and situations where there are processing regions and files containing commingled data for states in multiple jurisdictions. Other involved parties will provide an overview of their activities and participation in the transition. CMS will discuss its transition organization and team and review reporting requirements (see **Chapter 11**). The meeting should also cover areas of the transition that need immediate attention, such as human resources, connectivity, file transfer, new EFT forms, and industry/provider communications.

The jurisdiction kickoff meeting will have already established the individual transition workgroups and the scope of their functions. During the segment kickoff meeting, there should be breakout sessions of the various workgroups with as many members as

possible. If there are not enough workgroup members available, a date and time should be agreed upon for the group to initially meet and organize.

The breakout session will provide the opportunity for workgroup members to begin brainstorming, discuss transition strategy, and address any immediate issues. The group should also review implementation documents such as the JIPP and SIPP, deliverables that have been requested, dependencies, and any action items already identified in order to better define and develop the direction of the workgroup. Members should also discuss methods for accomplishing their workgroup tasks. The group should try to reach agreement on administrative details such as each organization's designated points of contact and workgroup meeting/teleconference dates and times, if possible.

Any deliverable, action item, or issues log that is developed or added to an existing document as a result of the segment meeting should be distributed as soon as possible. After each segment kickoff meeting is completed, the MAC should review the project schedule, the implementation project plans, the risk management plan, and communication plans to make any necessary revisions based on the meeting discussions.

3.5.5 Post-Award Orientation Conference

A post-award orientation conference between the MAC and Contracting Officer is normally held 10-15 days after notification of contract award. The CO will determine the time and location of the meeting, prepare the agenda, and notify the participants. The conference may be held during the jurisdiction kickoff. If it is, it would normally be a part of the MAC pre-meeting (**Chapter 3.5.1**), but could be held separately. The conference is usually not more than 1-2 hours in length.

The purpose of the conference is to achieve a clear and mutual understanding of all contractual provisions and requirements. The CO must ensure that the MAC understands the roles of Government personnel who will be involved in administering the MAC contract and the quality assurance procedures that will be applied. Participants may discuss special contract provisions, identify and resolve any potential problems, and review the implementation schedule and award fee plan. Invoicing procedures for invoicing and the processing of change orders/contract modifications may also be discussed.

3.6 Transition Workgroups

Transition workgroups are the basic organizational structure for conducting the day-to-day activities of the transition. They are the key to a successful workload transition.

3.6.1 General

Transition workgroups are established to facilitate the process of transferring the outgoing contractor's Medicare workload to the MAC. The scope of a particular workgroup may vary from one workload transition to another for a variety of reasons, including the MAC's business structure, the jurisdiction project plan/approach, and

outgoing contractor considerations. However, agreement must be reached with all of the outgoing contractors and the MAC regarding what workgroups will be established jurisdiction-wide and what their specific responsibilities will be. Workgroups are generally established for infrastructure activities (facilities, hardware, human resources, telecommunications, etc.), functional program areas (financial, audit and reimbursement, medical review, etc.), and overall project administration tasks (project management, financial, etc.).

Since there could be a number of segment implementations occurring simultaneously, the MAC may find that it is necessary to have separate segment workgroups established within the overall jurisdiction-wide workgroup. Functional areas such as financial, MR, or communications may have individual workgroups established for each segment implementation within the jurisdiction. If there are separate segment workgroups, the overall workgroup head must coordinate the activities of each to ensure consistency and schedule compliance.

3.6.2 *Participants*

Experienced staff from the MAC, the outgoing contractor, and other involved organizations should be assigned to the various workgroups. Of course, members will only be assigned if the organization has some involvement with a particular workgroup's function. CMS or the MISC will normally be represented on every workgroup. The MAC should try to keep the same workgroup members for the duration of the segment implementations, especially the workgroup heads.

The MAC will be responsible for appointing the workgroup head. Duties of the workgroup head include: 1) organizing, directing and coordinating all workgroup activities; 2) maintaining the applicable portions of the JIPP/SIPP and associated action items; 3) analyzing and comparing workflow processes and documentation; 4) developing and responding to deliverables/action items; and 5) reporting and documentation.

The overall responsibilities of the various workgroups will remain the same throughout the transition. Participation in the workgroups amongst the outgoing contractor and other entities may vary; however, the workgroup should continue under MAC direction until all segments have been implemented and the MAC is fully operational.

Generally, there are three ways that an outgoing contractor (or other entity) may interact with the various workgroups: 1) it may be a part of a jurisdiction-wide workgroup, joining when its segment transition begins and leaving when its transition is completed; 2) it may participate in a specific segment workgroup under the aegis of the overall jurisdiction-wide workgroup; or 3) it may not participate at all in certain workgroups. For example, if no hardware or software is being transferred to the MAC, the outgoing contractor would not need to participate in that workgroup.

3.6.3 Scope

The scope or area of responsibility for the individual workgroups will vary depending on a number of factors such as the MAC's organization or business structure, size of the outgoing contractor, business processes, and workflow structure. The actual number of workgroups varies from transition to transition, but it has been found that 8-10 workgroups generally work best. Workgroups have been established for the areas shown below, but occasionally, more specialized workgroups have been established. Some contractors have found it advantageous to establish subgroups within a workgroup to focus on specific areas or issues. Contractors have also combined workgroups based on convenience or practicality.

- Project Management
- Communications
- Systems/IT
- Telecommunications
- Beneficiary/Provider Relations
- Audit and Reimbursement
- EMC/EDI
- Medical Review
- MSP
- Operations/Claims Processing
- Provider Enrollment
- Hardware/Software
- Facilities
- Human Resources
- Financial
- Print/Reports
- File Transfer
- Cutover

An established workgroup may not necessarily correspond directly to a major task in the MAC's Jurisdiction or Segment Implementation Project Plan. For example, a financial workgroup may be established and function throughout the transition, but financial activities and tasks may be listed under the project management task in the Jurisdiction or Segment Implementation Project Plan.

The workgroups and their functions should be in place until the cutover period begins. At that time, any remaining activities or deliverables from the other workgroups are normally consolidated into the cutover workgroup, which will coordinate cutover activities and address all remaining issues and tasks.

3.6.4 *Functions*

Each workgroup will identify the tasks and action items necessary to successfully transfer the Medicare records, data, and operations related to that specific workgroup. The group will be responsible for monitoring and updating the tasks listed in the Jurisdiction or Segment Implementation Project Plans that are applicable to their workgroup.

Throughout the transition period, the workgroup shall 1) report their progress to the MAC implementation project manager; 2) resolve policy and transition issues regarding their areas of expertise; and 3) ensure that all specific activities and deliverables have been accomplished.

Each workgroup is charged with defining the basic functions of the workgroup and establishing a work plan to address its objectives, work responsibilities, ground rules, and reporting requirements. The workgroup should maintain an issues/action item list and a deliverables log throughout the transition to insure that all items relating to the workgroup are resolved. The workgroup must have a clear understanding of the information that it must provide to other entities, as well as information and deliverables that it has requested from others. It is important that requests are precise so that time will not be lost due to misunderstanding exactly what is being asked for. The workgroups should reach an understanding of the types of issues for which they have the authority to resolve and obtain approval from the project managers of those organizations represented in the workgroup.

While some workgroup activity may start at the jurisdiction kickoff meeting, most initial activity will begin at the segment kickoff meeting. If there are not enough participants available at that meeting, the MAC must schedule an organizational meeting for the workgroup at a later date.

Initial activities for the workgroups will include brainstorming, discussion of transition strategy, identifying workgroup members, reaching agreement on meeting dates and times, and taking action on any immediate issues. The workgroup should also discuss how it will accomplish workgroup tasks. The group will review transition materials and meeting documentation, the Jurisdiction and Segment Implementation Project Plans, any deliverables that have been requested, dependencies, action items, etc., in order to better define and develop the direction of its workgroup. All of these activities will be coordinated through the MAC's implementation project manager.

3.6.5 *Administration*

Workgroups should generally meet on a weekly basis, either in person or via teleconference. It will be the responsibility of the MAC to provide toll-free teleconference capability for all participants in workgroup meetings, as well as any ad hoc teleconferences or meetings. A comprehensive workgroup meeting schedule must be developed for each segment transition. The schedule should provide a listing of all the workgroups that have been established, the workgroup leads, members, meeting days and times (normally scheduled for one hour), and the call-in numbers with corresponding

pass codes. If a MAC has several segment implementations running simultaneously, it may be beneficial to combine workgroups if possible, in order to reduce the number of meetings being held. Membership of the workgroups should be finalized within a week after the segment kickoff meeting.

A workgroup agenda should normally be distributed a day before the workgroup meeting. The agenda can be in a fixed format that can be used as a minutes document after conclusion of the meeting. Workgroup meeting notes or minutes should be distributed within two business days after the meeting to allow sufficient time for required decisions to be made before the next meeting. The development and distribution of the agenda and meeting minutes/notes are the responsibility of the MAC. The notes should be reviewed at the next meeting so that all parties understand the impact of any decisions.

It is absolutely essential that there be communication between the various workgroups to ensure that each group knows what issues have been identified and the progress being made towards resolution. In some instances, the same issue will arise in several workgroups. Therefore, workgroup meeting notes need to be exchanged among the different groups, particularly for those that are handling similar or related issues. The project management workgroup could serve as a clearinghouse or forum for sharing information among the workgroups.

Chapter 4: IMPLEMENTATION MANAGEMENT

4.1 Purpose

This chapter will provide general information and guidance regarding the management of the workload implementation process. It emphasizes a number of items that the MAC should consider and will provide the framework for completing the activities detailed in succeeding chapters so that the outgoing contractor's workload may be moved successfully into the MAC's operational environment.

4.2 Project Management Approach

The MAC's project management approach for the implementation should be reflected in the Jurisdiction and Segment Implementation Project Plans and the various other plans required for the project. While there are numerous approaches to project management, the workgroup concept as discussed in **Chapter 3.6** should be utilized by the MAC. CMS does not mandate any particular method or software to be used in managing the implementation. It does require, however, that project plans, reports, and materials are readable using Microsoft Project, Excel, Word, or Adobe.

The MAC may also wish to establish quality assurance (QA) support to internally monitor and review activities throughout the life of the implementation project. QA will help the MAC project manager oversee the quality effort and ensure that tasks are complete and accomplished in accordance with project requirements.

4.3 Project Plans

An accurate and complete project plan is critical to the success of a transition. The MAC will be responsible for developing and maintaining an overall Jurisdiction Implementation Project Plan and associated Segment Implementation Project Plans. Both documents are CMS contract deliverables.

4.3.1 *Jurisdiction Implementation Project Plan (JIPP)*

The Jurisdiction Implementation Project Plan (JIPP) must detail the tasks and timeframes for accomplishing all of the work defined in the SOW, as it pertains to the transfer of Medicare workloads to the MAC. The JIPP will provide an overall administrative plan and a description of all major tasks and subtasks required to transfer Medicare data, records, and operations from each carrier and intermediary segment within the jurisdiction. It may also show tasks for assuming Medicare workload from other Medicare contractors outside of the MAC's jurisdiction (e.g., out-of-jurisdiction providers being transferred during the implementation) or for other associated implementation activities such as data center migration.

The MAC must develop a draft JIPP using the information/dates provided in the Request for Proposals (RFP) and will be submitted as prescribed in the RFP or by CMS. The plan will use the information/dates provided in the Request for Proposals (RFP). The jurisdiction and segment kickoff meetings (**Chapters 3.5.3 and 3.5.4**) and the initial outgoing contractor operational assessment (**Chapter 4.10**) will enable the incoming MAC implementation project manager and staff to identify any additional activities or tasks that will need to be incorporated into the JIPP. There may also be tasks that need to be modified or deleted because they are no longer applicable. In addition, timeframes may need to be revised to correlate to the contract award date or any transition schedule changes.

The incoming MAC's draft JIPP should be available at the jurisdiction kickoff meeting; however, information from the outgoing contractor is necessary for the complete development of the incoming MAC's JIPP. Most of this information will not be able to be obtained until after contract award. The incoming MAC will need to coordinate its JIPP with the outgoing contractor's closeout plan. The JIPP will be refined as the result of the kickoff meeting and subsequent discussions with the outgoing contractor and other transition participants.

The incoming MAC shall submit a baseline JIPP to CMS within **30 days** of the jurisdiction kickoff meeting, unless otherwise directed by the COR. This will be the "master plan" for the project and will be used by the incoming MAC and CMS to monitor the overall progress of the implementation. As each Segment Implementation Project Plan is developed, the appropriate sections of the JIPP will have to be updated to incorporate any changes in tasks and/or dates. CMS approval is required for the baseline JIPP and SIPP. CMS understands that the JIPP is a dynamic document that will change throughout the life of the project; however, it is imperative that changes to the plan are communicated promptly to CMS.

4.3.2 *Segment Implementation Project Plan (SIPP)*

For each segment implementation occurring within its jurisdiction, the MAC must develop a Segment Implementation Project Plan (SIPP). The SIPP will be, in effect, an expanded and more detailed description of the implementation activities shown in the Jurisdiction Implementation Project Plan that are specific to an individual segment. As a separate document, it will be used to monitor segment implementation activities.

The extent of a segment's individual tasks and the detail required for a segment implementation will be dependent on a number of factors, including the MAC's project management approach, the extent of integration of the jurisdiction implementation, commingled workloads to be split, availability of existing staff or facilities, the size of the outgoing contractor, and if the outgoing contractor is remaining in the Medicare program. However, the SIPP should provide a more detailed level of segment activity than the overall JIPP and should be the most effective way to manage the implementation of a particular segment.

A great deal of outgoing contractor information is necessary for the complete development of the MAC's SIPP. However, much of this information will not be obtained until the start of the segment implementation. A draft SIPP should be available at the first segment kickoff, which is normally held during the jurisdiction kickoff or shortly thereafter. For a segment scheduled to begin after the jurisdiction kickoff, a draft SIPP should be submitted to CMS **30 days** prior to the scheduled start of the segment implementation.

The SIPP will be refined as the result of the segment kickoff meeting and subsequent discussions with the outgoing contractor and other organizations involved in the transition. As the SIPP is developed and maintained, the incoming MAC must update the appropriate sections of the JIPP to incorporate any changes in task and/or dates. The MAC must also ensure that the SIPP is coordinated with the outgoing contractor's closeout plan. A baseline SIPP shall be submitted to CMS for review no later than **30 days** after each segment kickoff meeting

4.3.3 *Implementation Project Plan Structure*

Exhibit 3, Major Tasks and Activities Associated with a Workload Transition, shows a breakout of the major areas of activity that are usually required for a workload implementation. The list is not all-inclusive, and tasks/activities could be added or deleted depending on the circumstances of each jurisdiction or segment. The Jurisdiction and Segment Implementation Project Plans should show a Work Breakdown Structure (WBS) to the level commensurate with the scope of the project. As an example, the JIPP could show the various segment implementation projects as Level 1, along with overarching jurisdiction tasks such as project management, facilities, and financial. The major implementation tasks of each segment would be shown as Level 2, and subtasks as Level 3. The SIPP, however, would show the major segment implementation tasks as Level 1, subtasks as Level 2, and would normally be developed to Level 3 or 4 (or beyond), depending on the major task category and the amount of detail the MAC (or CMS) finds necessary in order to properly track and cost the activity.

Major implementation tasks could be shown in the JIPP, SIPP, or both, depending on the MAC's proposed operations. For example, if the incoming MAC will consolidate all segment operations into one facility, the tasks necessary for site acquisition and facility preparation would be shown in the JIPP and not in the SIPP. However, if the MAC will maintain multiple facilities within its jurisdiction, then it may be more appropriate for facilities tasks to be listed in the appropriate SIPP.

The JIPP and SIPP should contain, at a minimum, the following data:

- Identification Number
- Task Name
- Task Dependencies
- Planned Start Date
- Planned Finish Date

- Actual Start Date
- Actual Finish Date
- Duration
- Percent Completed
- Variance
- Milestone Indicator
- Responsible Party
- Comments

The JIPP and SIPP must be updated on a weekly basis with an accompanying list of tasks completed and tasks that are not on schedule (see **Chapter 11.2.2 and 11.2.4**).

4.4 Interaction with the Outgoing Contractor

It is important to stress communication and cooperation with the outgoing carrier or intermediary. It is an integral part of any transition. Without the outgoing contractor's cooperation and support, the transition will be in jeopardy, regardless of how much time, effort and resources the MAC commits to its implementation efforts. It must be remembered that the transition will be very stressful for the outgoing contractor's organization and employees. The carrier/intermediary could have unsuccessfully competed for the MAC jurisdiction and will be ending its segment Medicare operations not by choice. The outgoing contractor could have no other Medicare claims processing contracts and will be exiting the Medicare program altogether. The carrier/intermediary may be planning on competing on future RFPs and may view the incoming MAC as a competitor. More than likely, staff will be losing their jobs. The collegial atmosphere among Medicare contractors that was present for many years may have vanished. Many factors can come into play in the relationship between the MAC and the outgoing contractor. The MAC must be cognizant of those factors in its approach to managing the implementation.

4.5 Nomenclature

As each segment implementation gets underway, the MAC and the outgoing contractor should discuss the terminology and nomenclature used in the outgoing contractor's operation. All terms, acronyms, and files need to be well defined and clearly understood by the parties involved in the project. This will help prevent project delays, duplication of effort, and unanticipated workload being transferred at cutover.

4.6 On-Site Presence

Depending on the circumstances of the transition, on-site presence of the MAC at the carrier/intermediary's site(s) is strongly recommended, especially for the MAC's due diligence activities (see **Chapter 4.10**). Any request for on-site presence will need to be discussed with the outgoing contractor to determine if it is desirable or feasible. The MAC will need to determine how much of an on-site presence it believes is warranted at

the outgoing contractor's site(s) and the timing of such presence. Generally, there will be less resistance to the MAC's on-site presence if there is a "turnkey" situation or if the outgoing contractor is leaving the Medicare program.

The MAC must understand that it is possible that the carrier/intermediary will limit access to its operation. Contingency plans should be developed for such an occurrence. On-site access is the sole prerogative of the outgoing contractor and is not controlled by CMS.

4.7 Communication

A transition is a complex undertaking involving many different organizations. It is a temporary partnership and all parties need to be working toward the common goal of a successful transition. It is critical that the MAC work closely with its partners and communicate at all levels. For its part, the MAC should ensure that there is a free flow of information among all parties. The meeting and reporting requirements detailed in **Chapter 11** will provide the framework for that effort.

In some transitions the parties have found it helpful to have regular informal teleconferences with just the project heads of all the major organizations involved (e.g., MAC, outgoing contractor, EDC, CMS, etc.) to keep the lines of communication open, discuss overall progress, and ease the resolution of any issues or conflicts.

If the MAC believes there is a lack of cooperation and/or communication with any party involved in the transition, it must contact the Implementation Lead or Contracting Officer's Representative to resolve its concerns.

4.8 Identification Number

The MAC will be assigned specific jurisdiction identification numbers that will be used for CMS reporting and data exchange information. Each state within the MAC's jurisdiction will have an individual number or business segment identifier (BSI) that will allow Part A and Part B workload to be reported separately by state. The process for obtaining the new number will begin as soon as the MAC contract has been awarded. CMS will be responsible for providing the MAC with the identification numbers. The numbers will be formally distributed to all necessary parties through the CMS change management process.

4.9 Access to Outgoing Contractor Information

It is incumbent upon the MAC to ensure that any request for information and/or documents from the outgoing contractor is proper and necessary for the conduct of its implementation. Given all of the activity that will be required for contract closeout, the outgoing contractor will not have the time or resources to respond to requests for information or documents that are not appropriate to the circumstances of the transition, nor essential to successful completion of the transition.

The amount of information/documentation that an outgoing contractor will provide is dependent upon a number of factors. If the carrier/intermediary is leaving the Medicare program, it may be willing to provide practically all information and documentation related to its Medicare operation, even proprietary information that is administrative, managerial, or cost-related in nature. If the carrier/intermediary will be in a partnering/subcontracting arrangement, business information regarding personnel, work processes, and facilities may be provided, but other administrative or cost information may not be released. If the carrier/intermediary submitted an unsuccessful proposal for the Jurisdiction and/or will be submitting proposals for future MAC jurisdictions, it may not release any information that it considers proprietary or confidential. Also, the outgoing contractor may not release information if it contemplates legal action regarding the jurisdiction award.

Exhibit 4, Outgoing Contractor Information/Documentation, provides a list of some of the information and documents that incoming contractors will normally request from outgoing contractors. The exhibit shows information/ documentation that is considered non-proprietary and should be released to the incoming contractor if requested. It also shows documents that may contain proprietary or business information. Generally, CMS will not require the outgoing contractor to release those documents, but under certain circumstances, it may require that a properly redacted version be released.

If the MAC believes that the outgoing contractor is withholding non-proprietary information that is necessary for the successful completion of the implementation, or is not cooperating with its operational assessment/due diligence, it should contact the CMS Implementation Lead or Contracting Officer's Representative.

4.10 Operational Assessment of Outgoing Contractor / Due Diligence

It is important that the MAC gather as much information as possible regarding an outgoing contractor's current processes, activities, unique arrangements, assets, documentation, and overall business operations. This will facilitate the absorption of the workload into the MAC's operational environment, help ensure a smooth transition, and lessen any impact to beneficiary and providers. This activity is known by a number of different terms: operational assessment, operational analysis, due diligence, and gap analysis. All functional areas (audit and reimbursement, medical review, claims processing, provider education, Medicare Secondary Payment, financial, appeals, customer service, etc.) and all business operations and procedures need to be analyzed.

4.10.1 Initial Activity

It is important to begin an initial assessment as soon as possible after contract award so that the information obtained may be used by the transition workgroups. Changes to the MAC's implementation approach or project plan may also be made based on assessment activities. The MAC should contact the outgoing contractor to discuss the purpose of a site visit, the type of information that the MAC hopes to obtain, and which operational areas it would like to

review. Agreement will need to be reached on such items as dates, times, frequency of visits, number of staff, and availability of on-site working space for the visiting MAC. Some incoming contractors use a special team for the initial assessment, while others will use the workgroup heads and perform the assessment as part of the initial activity of the applicable workgroup. After the initial assessment has been completed, the various workgroups will continue to examine the outgoing contractor's operations throughout the implementation period.

4.10.2 Areas of Focus

The assessment and documentation of the outgoing contractor's operation may include internal policies and procedures, business processes, work flow in each functional area, files, and staff analysis. This information will help in refining the MAC's resource requirements. Standard operating procedures should be reviewed, along with quality assurance processes and standards. Procedural differences and/or local variations of the claims process will need to be noted. Any non-compliance discovered should be brought to the attention of the CMS Implementation Lead or Contracting Officer's Representative. Workload data and inventory statistics by functional area should be obtained. The outgoing contractor's productivity rates and production capacity may also be analyzed. The MAC should assess workload in progress and obtain specifics on the amount of Medicare files and records in storage, both on-site and at remote locations.

The MAC may want to obtain Contractor Performance Evaluation (CPE) or Report of Contractor Performance (RCP) documents for the outgoing contractor, as well as any audit findings. Any internal process improvement or CMS performance improvement plan (PIP) pertaining to the outgoing could also be reviewed to obtain information on performance or quality problems. If there is a problem obtaining any of these documents, the MAC should contact the CMS Implementation Lead or COR. The MAC should also determine if there are any special CMS projects, initiatives, or activities that involve the outgoing contractor and the specific time frames for completion.

4.10.3 Specific Assessment Activities

The following are some of the areas or activities that are normally analyzed as part of the MAC's overall assessment/due diligence:

4.10.3.1 Local Coverage Determinations

The outgoing contractor will provide the MAC with all Local Coverage Determinations (LCDs). The MAC should begin to analyze all LCDs as soon as possible to determine their applicability jurisdiction-wide to the MAC's statement of work and contract. The MAC is required to consolidate the existing LCDs of the outgoing carriers/intermediaries within its jurisdiction so that they are the same throughout the jurisdiction. The incoming contractor must use the most clinically appropriate policy currently in place when consolidating its LCDs and the MAC has the discretion to involve the provider community in the selection process. Determining what is most clinically appropriate is a judgment the incoming MAC must make

in the context of its awarded jurisdiction. The MAC must also consolidate the active edits in the system related to the consolidated LCDs.

The consolidated LCDs should be in place at the cutover of the first segment. The incoming MAC shall educate the affected provider community of any change in LCD policies. Although it is encouraged, the MAC is not required to utilize the formal notice and comment revision process as outlined in Chapter 13 of the Program Integrity Manual (PIM) until the consolidation process is final. However, the MAC shall notify the provider community within its jurisdiction which LCDs it has consolidated and adopted no less than **45 days** prior to those policies being implemented. There may be circumstances that would prevent the MAC from meeting the 45 day notification period prior to cutover. If so, the Contracting Officer's Representative will provide direction as to how to proceed.

The MAC has the discretion to involve the provider community in the selection of the most clinically appropriate policies. However, due to the short timeframes involved the MAC is not required to go through a formal Carrier Advisory Committee (CAC) as defined in the PIM. A CAC is required for a new or revised policy developed after the cutover of existing workload to an incoming MAC.

4.10.3.2 Edits

Edits verify and validate claim data. They detect errors or potential errors and verify that certain data is consistent with other data. Various edits are in place for every type of claim and for every step in the claims flow and adjudication process. Every Medicare carrier/intermediary must maintain certain edits in its claims processing system. However, they have discretion with other edits in the system (known as local edits) and may choose to modify or suppress them. This means that action taken on a claim may vary among the outgoing contractors. It is possible that the same claim may be denied by one carrier/intermediary, suspended by another, or returned to the submitter by a third carrier/intermediary.

CMS requires that the MAC consolidate the existing FISS shared system edits (reason codes, local business rules, etc.) of the outgoing fiscal intermediaries so that they will be the same for the entire jurisdiction. The consolidated edits for the jurisdiction will be implemented as each fiscal intermediary segment workload is cut over. Consolidation of the MCS shared system edits is not required, but a MAC may propose to do so during the implementation period as part of its proposal.

The MAC must analyze exiting edits and determine the final consolidated edits based on its proposed criteria. The criteria should include operational efficiency, minimization of disruption to the provider community, and other pertinent factors. The single set of edits will include a single defined action for each code. All final edits must be tested prior to their implementation.

Any changes to an outgoing contractor's edits must be analyzed to determine if there will be any impact to the provider community. The MAC must discuss and coordinate any edit consolidation with CMS. **The MAC must clearly communicate any**

edit/processing changes to providers and submitters early and often in bulletins, special newsletters, and/or training seminars/workshops/teleconferences.

Certain pre-pay LCD or Medical Review edits may be turned off by the outgoing contractor as part of developing the stop-work procedures during the cutover process. The outgoing contractor should work with the incoming MAC to develop and submit to CMS a proposal detailing the timeline and description of those edits that would be turned off as well as the CMS-mandated edits that would remain on. CMS must provide approval for any edit being turned off under these circumstances.

4.10.3.3 Outgoing Contractor Workload and Inventory

As soon as the MAC award is made, CMS will begin monitoring each outgoing contractor's performance on a weekly basis. Data obtained will include:

- Receipts
- Claims processed
- Claims pending
- Claims pending over 30/60/90 days
- Claims processing timeliness
- Correspondence
- Hearings
- Cost reports
- Appeals
- Telephone service
- Compliance reviews

CMS will provide this workload information to the MAC along with any outgoing contractor operational issues that arise. If necessary, the MAC will take appropriate action to modify its implementation activities or risk mitigation/contingency plans.

4.10.3.4 Staffing Levels

CMS will also monitor staffing levels of the outgoing contractor by the functional areas of its Medicare operation. The outgoing contractor will provide a weekly breakout of staffing that shows staff losses by area, transfers within the Medicare operation or to other areas of the company, new hires (temporary or permanent), and staff unavailable (training, extended medical leave, etc.). The MAC will be provided with a copy of the staff report. Based on workload and staffing reports, it is possible that CMS and the MAC may decide to move a particular function to the MAC sooner than expected. The project schedule and costs would be modified accordingly.

4.10.3.5 Internal Controls

Internal controls (also known as management controls) are addressed in many federal statutes and executive documents. For example, the Federal Managers' Financial

Integrity Act (FMFIA) establishes specific requirements with regard to internal controls. FMFIA encompasses program, operational, and administrative areas as well as accounting and financial management. CMS (and by extension its MAC contractors) must establish controls that reasonably ensure that: 1) obligations and costs comply with applicable law; 2) assets are safeguarded against waste, loss, unauthorized use or misappropriation; and 3) revenues (e.g., overpayments) and expenditures are properly recorded and accounted for. In addition, the agencies and contractors must annually evaluate and report on the control and financial systems that protect the integrity of Federal programs.

The MAC should review the indicators of the outgoing contractor's internal controls, especially if the MAC intends to hire the outgoing contractor's management and staff or use them in a subcontracting/partnering arrangement. At a minimum, the MAC should review recent Chief Financial Officer (CFO) and Statement on Auditing Standards No. 70 (SAS 70) audit reports. The MAC may also request the outgoing contractor's own reports on internal controls—such as the Certification Package for Internal Controls (CPIC).

4.10.3.6 Contractor Performance Evaluation

It is possible that there will be a Performance Improvement Plan (PIP) or other type of corrective action in place for deficiencies found at the outgoing contractor's operation as a result of a Contractor Performance Evaluation (CPE) or other type of CMS/government review (e.g., CFO, A-123, SAS-70, OIG audit). The disposition of a PIP or other corrective action will depend on the relationship that the MAC will have with the outgoing contractor or its staff after cutover. CMS must also be aware of any performance issues or corrective action plans that the MAC may have in place at its own operation when a segment implementation begins. This is to ensure that any applicable items addressed in those corrective action plans are applied to the incoming workload as well.

CMS will provide the MAC with information regarding any corrective action that is in place for the outgoing contractor if the MAC will have a contractual relationship with the outgoing contractor (e.g., subcontractor, partnering arrangement, etc.) or if it will be utilizing the outgoing contractor's staff and/or facilities. After reviewing the current status of the corrective action with the MAC, CMS will determine if it can be closed because of the MAC's processes or procedures, either in place or proposed. If it cannot be closed, the MAC will be responsible for completing any outstanding parts of the plan once the MAC becomes operational, or develop an alternative PIP/corrective action with the approval of CMS. There may also be a situation where a deficiency was found in an outgoing contractor's operation but no PIP/corrective action was developed. In such cases, the Implementation Lead will review the nature of the deficiency with the outgoing contractor and the MAC to determine if the deficiency can be eliminated prior to cutover, or if it will be necessary for the MAC to develop a post-cutover corrective action.

If there will be no relationship with the outgoing contractor, or if staff will not be retained, there should be no need for the MAC to become involved with the outgoing contractor's PIP/corrective action, other than knowledge of its existence and if it may affect the MAC's own operation.

4.10.3.7 Outgoing Contractor Performance Waiver

An outgoing contractor may identify administrative or workload activities that it believes it can no longer perform (or makes sense to perform) due to the demands of the transition and its contract closeout. If a carrier/intermediary finds itself in such a situation, only the carrier/intermediary may submit a request for a waiver from CMS. CMS will inform the MAC of the nature of any waiver request that it receives from the outgoing contractor, and if approval is granted, will meet with the MAC to discuss what effect it may have, if any, on the MAC during the transition.

4.11 Implementing Assessment/Due Diligence Findings

Based on its analysis of the outgoing contractor's operations and documentation, the MAC will determine if any changes should be made to its implementation approach, operational design, or project plan. The MAC may want to modify operational workflows, implement process improvements, review resource requirements, rearrange implementation tasks, and/or revise time estimates/dates of implementation activities. The operational assessment may also help the various workgroups in developing their issues log/action items list. The MAC may find the need to revise its risk mitigation and communication plans based on information from the outgoing contractor. Provider education and training may also need to be modified based on the assessment results. The MAC should update CMS on its due diligence findings and discuss any results and actions undertaken.

The MAC may determine that it is beneficial to move certain functions earlier than originally planned. For example, if there is a serious staff loss among auditors at the outgoing contractor, the MAC may propose to take the work prior to the planned cutover date. Any significant changes to the MAC's project plan must be discussed with CMS.

The MAC's operational assessment and information gathering will continue throughout the transition period as part of the work effort of the various transition workgroups. However, the MAC should make a concerted effort to complete an initial assessment within the first month of the start of the segment implementation so that any changes can be negotiated with CMS and incorporated into the "baseline" SIPP, which should be submitted to CMS within **30 days** of the kickoff meeting.

4.12 Deliverables List

The MAC may have an initial Deliverables List to discuss at the jurisdiction or segment kickoff meeting. The Deliverables List is a formal record of information, documents, etc. that the MAC is requesting from the outgoing contractor or other parties involved in the

transition. At the minimum, it should contain a description of what is being requested, the date of the request, the requester's name, to whom the request is being made, the due date, and the actual receipt date. Each deliverable request should be numbered for tracking purposes.

Any request for information and/or documents that is developed into a Deliverables List must be carefully reviewed to ensure that the items are appropriate and necessary. The MAC must consider the effort that the carrier/intermediary will need to expend in order to produce the information or respond to its request. Outgoing carrier/intermediary staff may not be available to gather information and the process may take longer than the MAC anticipates. The MAC will need to prioritize items on any Deliverables List as to their importance and when they will be needed in the implementation process. The MAC must also be able to provide rationale for the items should there be an issue with the request. See **Exhibit 4, Outgoing Contractor Information/Documentation**, for a sample of the types of information and documents that a MAC may request from an outgoing contractor.

As the MAC conducts its operational assessment/due diligence and workgroup activities, it should use the Deliverables List to request and control the receipt of information and/or documents. The workgroups will also develop Deliverables Lists for the outgoing contractor and other involved parties. The workgroup head must ensure that everyone understands exactly what is being requested, that the information is applicable to the purpose of the request, and that the timeframe for delivery is reasonable. The request should be noted on the Deliverables List and forwarded to the appropriate party. If certain information or documents are needed to assist the initial operational assessment/due diligence, there should be some type of indicator for a quick turnaround.

Usually the incoming contractor will consolidate the individual workgroup Deliverables Lists into a master list. The master list will then serve as a complete record of what has been requested and the project manager will be able to track the requests to receipt. The Deliverables List should be updated on a weekly basis and a copy provided to CMS.

It should be noted that the participants involved in a transition will use the term “**deliverable**” in two different ways:

- The term may refer to a **document or information** that is being requested from the outgoing contractor or other party involved in the transition as a result of the incoming MAC's due diligence or workgroup activities. The request is recorded on a Deliverables List
- CMS and the MAC will also use the term to mean a “**contract deliverable.**” A contract deliverable is any information, data, report, document, item, service, etc. that the MAC is specifically required to provide to CMS. Deliverables are found in the Section C (statement of work) or Section F of the MAC contract schedule and are normally submitted to the Contracting Officer and/or Contracting Officer's Representative. During an implementation, the MAC will normally be

required to submit the Jurisdiction Implementation Project Plan, Segment Implementation Project Plan, communication plan, testing plan, and risk management plan as a contract deliverable.

Chapter 5: OBTAINING RESOURCES AND ESTABLISHING INFRASTRUCTURE

5.1 Personnel

Human resources are critical to the success of any transition. The actions necessary to obtain resources for a MAC operation may vary for a variety of reasons, including proposed location(s), subcontracting/partnering arrangements, and the outgoing contractors' plans for their employees.

5.1.1 *Recruitment of Outgoing Contractor Staff*

If the MAC would like to hire any staff from the outgoing contractor, it should communicate that fact to the outgoing contractor's management immediately after contract award. If the outgoing contractor is agreeable to the MAC's employment proposal, it would be beneficial for the MAC to hold a meeting with affected employees as soon as possible to show the corporate commitment, allay employee fears, and provide them with information regarding the implementation. Rumors can run rampant during a transition, especially after announcement of a new MAC. They can also affect efforts to retain personnel—the longer uncertainty exists, the more attractive alternate employment becomes.

The MAC must work with the outgoing contractor to establish communication protocols with the employees that it is proposing to hire. Information such as when staff may be contacted, the process for obtaining approval and release of employee information, and whether or not MAC job postings can be placed in the outgoing contractor's site should be obtained. The outgoing contractor will need to provide the MAC with specific employee information such as: names and addresses of employees, dates of service, job titles, job grades, job descriptions, current salaries, review dates, and documentation of the current employee benefits.

If the MAC will be hiring a large number of the outgoing contractor's staff, it may be helpful to have a MAC human resources representative on-site to answer questions and provide detailed information on benefits and employment. A comparison of outgoing contractor's employee benefits versus the MAC's benefits should be made as soon as possible after award. Meetings should be scheduled with the outgoing contractor's staff to discuss differences in benefits, provide information on what employees may expect when the MAC hires them, and how the actual employment cutover will be handled. It may also be helpful for the MAC to contribute transition-related articles to the outgoing contractor's employee newsletter.

The outgoing contractor employees who will be hired by the MAC should receive an offer of employment with a required acceptance/rejection date. This will give the MAC an idea of the number of positions that will need to be filled. Recruitment plans can then

be adjusted accordingly. The MAC should work with the outgoing contractor to come up with a compatible plan or calendar for when employees will actually transfer to the MAC's employment. The plan must ensure that there is no degradation of service at the outgoing contractor's site due to the hiring schedule.

It is expected that the MAC will not try to hire any of the outgoing contractor's staff to perform work for the MAC prior to cutover unless it has been agreed to by the outgoing contractor and CMS.

5.1.2 General Recruitment

If the MAC is only hiring a portion of the outgoing contractor's staff, or none at all, CMS may request additional information regarding how new staff will be recruited, especially if a large number of employees are to be hired. CMS will review the MAC's HR approach, how potential employees will be found, methods of advertising and recruiting, schedules, and contingencies if labor sources are inadequate.

5.1.3 Employment Report

During the implementation, an employment report will be submitted to CMS on a weekly or biweekly basis depending on direction from the Implementation Lead/Contracting Officer's Representative. The report should cover hiring activity for the jurisdiction broken out by operational location(s) and function. The report should show the total anticipated staff to be hired for the various functional areas of the MAC's Medicare organization, the total staff that has been hired to date, and the number of employees hired in those areas for the reporting period. There should also be a notation for employees that were hired from the outgoing contractor and the contractor should be identified. CMS will use the report to compare it with the staff listed in the MAC's proposal in order to verify the acquisition of the proposed staff.

5.1.4 Training

CMS may request the MAC to provide detailed information on its training, especially if a large number of employees are to be hired and trained. The MAC should have a comprehensive approach for providing facilities and resources for training new hires, as well as those hired from the outgoing contractor. Training information should specify the type of training, the duration of each phase of training, what staff will be trained, the facilities used, and if any training will be subcontracted.

The training materials that the MAC uses must be based on the requirements in the RFP and all applicable laws, regulations, and Medicare manuals. Particular attention should be given to manuals and materials dealing with coverage of services, eligibility, reimbursement, and appeals. During the implementation, CMS may review the MAC's training materials and curriculum, observe classes, and review testing results. The MAC must ensure that enough time is allotted in the schedule to adequately train all employees prior to cutover.

5.2 Site Acquisition/Facilities Preparation

CMS will be monitoring the activities associated with obtaining and preparing a facility for MAC operations. These activities include obtaining space, furnishing the operation, utilities, mail delivery, and support services (trash collection, security, cafeteria, etc.) CMS will verify that operational facilities are established as proposed and may perform an on-site inspection to confirm completion.

The MAC may be moving into a new facility (either buying/leasing an existing site or new construction), moving operations into an existing MAC facility (which may require build-out or renovation), or moving into the outgoing contractor's facility. The MAC proposal will provide information on the location of its operational facility. If the MAC is proposing more than one operational location, it must identify what functions or workloads will be processed at each site and the expected staffing at each location. If the MAC is proposing to acquire the outgoing contractor's facility, it needs to be sure that there are no problems with the outgoing contractor vacating or selling the property, or that the lease can be assumed. Existing contracts for security, food services, phones, off-site keying, etc. should also be reviewed to see if they can be assumed by the MAC.

CMS should be consulted if there is any change in regard to the facilities approach or plans during the implementation. The MAC must insure that the design for its operational workplace meets CMS requirements regarding access and security for certain functional areas; e.g., program integrity. The storage of Medicare files and records must also be taken into account when considering facility options. The MAC review of the outgoing contractor's operation will provide information on the outgoing contractor's storage arrangements so that the MAC can determine whether to keep existing arrangements or move the files to another location. All Medicare records and files (hardcopy and electronic) must be maintained in accordance with CMS manual instructions. See **Chapters 6.9 and 9.10**.

5.3 Hardware/Software

The MAC must provide the hardware and utility software necessary to communicate and operate with CMS-provided software and the CMS-designated Enterprise Data Center (EDC). The processes for obtaining and installing contractor-furnished hardware and software at the MAC operational site(s) will be described in the JIPP/SIPP. The project plan must cover the main operational site, as well as any proposed field offices or satellite operations. Tasks should cover all hardware and software that the MAC will need to become operational, including CPU upgrades, DASD, servers, data bases, tapes, print/mail equipment (inserters/sorters/meters, etc.), PCs/laptops, LAN/WAN hardware and software, workstations, peripherals (printers, scanners, etc), and telephone equipment.

The MAC will normally require IT support for front-end/back-end or other data services that will not provided by the EDC or shared system maintainer (i.e., non-base services). The MAC must ensure that hardware and software requirements are defined and agreed

to with any organization providing non-base services. The MAC will also have to coordinate its equipment needs with its print/mail vendor if printing is subcontracted. It may be necessary to reassess equipment needs as the implementation progresses and as more information is obtained about the outgoing contractor's operations from the operational assessment or workgroups.

As part of the implementation, CMS will establish a non-base workgroup to work with the incoming MAC to review its IT operations, non-base software, and support services. This non-base workgroup will analyze the IMAC's operating environment to determine which non-base software and jobs will be supported by the EDC, which non-base software may be consolidated into the base shared system, and which functions are obsolete. The workgroup will also develop resource estimates for the processes identified to run at the EDC.

CMS will monitor the activities associated with obtaining hardware and software. CMS may request that the MAC submit verification of equipment orders and certification that equipment is in working order according to specifications. CMS may also perform an on-site inspection of the equipment and the operational readiness of the MAC.

5.4 Asset Inventory

The outgoing carrier/intermediary retains legal control of assets acquired on behalf of the Medicare program. It is responsible for disposing of those assets as quickly as possible after cutover or whenever the assets are no longer needed for Medicare. The outgoing contractor will normally discontinue the acquisition of assets during its closeout unless it is absolutely essential to the success of the transition. Assets not specifically furnished by CMS are the property of the outgoing contractor and may be kept, sold, or disposed of in accordance with Federal Acquisition Regulations (FAR). CMS's preference is that these assets be made available for sale or transfer to the MAC.

As part of its closeout activities, the outgoing contractor is required by CMS to develop a list showing its Medicare assets. The list will provide a detailed inventory of all supplies, furniture, hardware, software, equipment, and other work-related items. It will also show the anticipated disposition of the assets. The Implementation Lead will provide a list of any assets that may be available to the incoming MAC. This should be done as early in the transition as possible so that the MAC will have time to analyze, negotiate, and transfer any asset that it would like to obtain from the outgoing contractor. The asset inventory should be placed on the Deliverables List with a mutually acceptable due date.

5.5 Telecommunications – Data

To ensure the privacy and security of protected information, the MAC will use the CMS-supplied telecommunications network to transmit Medicare data.

5.5.1 Background

CMS has migrated its private wide area network (WAN) from the Medicare Data Communications Network (MDCN) to CMSnet, which is a more secure network that supports the connectivity needs of the MAC's business operations. CMS, the EDCs, MACs, and other Medicare business partners are connected to CMSnet.

CMS will supply the incoming MAC with two connections through CMSnet to the EDC, one for primary data connectivity and the other for backup data connectivity. The two data connections can be at the same MAC location or at two different locations. All other connectivity required by the incoming MAC to fulfill its Medicare business requirements must be procured and maintained by the MAC. External business partners are responsible for providing their own data connectivity to the MAC.

The incoming MAC shall only use CMSnet telecommunication services for:

- Medicare communications between the MAC and subcontractors, if any;
- Medicare communications between the MAC and other Medicare contractors (e.g., EDCs, other MACs, carriers/intermediaries, CWF Hosts, shared system maintainers, PSCs, BCCs, etc.); and
- Communications between the MAC and CMS.

All other connectivity required by the incoming MAC to fulfill its Medicare business requirements must be procured and maintained by the MAC (e.g., field offices, administrative offices, telecommuter personnel stations, research centers, contact centers, etc.). The MAC's external business partners are responsible for providing their own data connectivity to the MACs. In addition, the IMAC **shall not** use CMSnet telecommunications for providers to submit information and/or inquiries, to receive payments or remittance advices, to respond to development requests, or for any other communication with providers.

5.5.2 Requirements

The MAC is only responsible for telecommunications to the CMSnet. The CMSnet-to-EDC interface is the responsibility of the EDC. CMS will provide the WAN connectivity through its CMSnet network service provider. The MAC will be responsible for providing facilities (e.g., rack space, power, cooling, and security) for the WAN equipment. The MAC is also responsible for the Local Area Network (LAN) configuration to the WAN equipment, including any needed cables, switches, and hubs. In addition, the MAC must install all necessary telecommunication software and have the ability to transmit and receive data via standard telecommunication software protocols. Furthermore, CMS is moving all telecommunication services to Multi-Protocol Label Switching (MPLS). The MAC must provide a gateway to its internal LANs that will interface with MPLS telecommunications technology, unless otherwise determined by CMS.

The local telephone company will install telecommunication circuits up to a specified building demarcation point. The MAC is responsible for extending the circuits from that demarcation point to the area where the network equipment is located. The MAC is also required to provide an analog telephone line for use by the telecommunications contractor to monitor and diagnose the telecommunications equipment.

5.5.3 Obtaining Telecommunication Services

It is critical that the request for network services be made to CMS as soon as the kickoff meeting has occurred and implementation activities have begun. The MAC shall request telecommunication services via email through the CMS Contracting Officer's Representative. The COR or Implementation Lead will then contact the Office of Information Services (OIS) to coordinate the activities involved in establishing connectivity to the CMSnet. The staff in OIS will assist the COR/IL as a liaison for all new data communication needs.

The MAC must designate a program point of contract (POC) and a technical POC to facilitate ongoing communications and information exchange regarding telecommunication activities. These POCs must have the authority to represent/bind the incoming MAC within the scope of telecommunication operations and supporting environments. The MAC will participate in regular teleconferences with CMS staff to ensure that all telecommunication needs are communicated timely and accurately to ensure prompt installation.

The MAC must request telecommunication services a minimum of **90 calendar days** before the expected operational delivery date for those services. The MAC must also complete a technical information exchange with the CMSnet network service provider's technical representatives within the first **15 calendar days** following the request for services. When all specifications, requirements, and the site survey are complete, the network service provider will provide data communications within **60 calendar days**. The MAC must grant CMS's network service provider access to equipment on the MAC's premises for installation, troubleshooting, and maintenance activities.

5.5.4 Points of Emphasis

- The MAC will need to document all network connectivity requirements and specifications before the **60 calendar day** timeframe begins;
- Prior to installation, the MAC must have any facility leases signed and arrangements made for the local telephone company and/or CMS network service provider staff to have access to buildings to install lines and/or equipment;
- The CMS network service provider is dependent upon the local telephone company to install lines. The local telephone companies maintain their own schedules and may not be able to meet the MAC's particular need for expedited installation and service; and

- The MAC will be responsible for identifying any modifications to its data communications network requirements because of changes to its workload (e.g., obtaining additional workload or increased volumes of existing workload) and communicating those needs to its COR.

5.6 Telecommunications – Voice

Voice communications are the responsibility of the MAC. CMS does not provide support for voice communications. The MAC must ensure that the telephone system that is in place at its operational site(s) meets the minimum design guidelines required by CMS and that it can connect with CMS-provided toll-free lines. The MAC should review the outgoing contractor's current inbound and outbound traffic to help assess needs, define phone system requirements, and determine how the additional workload will fit into its existing system.

If the MAC will be utilizing the outgoing contractor's facility, it must reach agreement with the carrier/intermediary on what telecommunications equipment the outgoing contractor is willing to transfer. ARU/IVR equipment must also be assessed and the application software reviewed for required modifications. Internal voice mail and call accounting system requirements will also need to be examined.

The incoming MAC must establish a Provider Contact Center (PCC) in accordance with CMS requirements. Because of the various communication channels available to providers, all communication must be coordinated to ensure consistency. The PCC serves as the coordinating centerpiece for developing and managing the MAC's relationship with Medicare providers.

The MAC must be certain that the local telephone company is aware of its implementation schedule and that voice and data communication installations are coordinated. It should be noted that the lead time for local phone system installation can vary widely. The MAC must allow sufficient time for system setup.

5.7 Data Center

The MAC will utilize the services of CMS's Enterprise Data Center (EDC). The EDC is an integral partner in the transition process and a representative will be in attendance at the kickoff meeting. Data center personnel will participate in the appropriate transition workgroups. It is critical that there be an EDC point of contact for the MAC during the implementation. It is also important that the MAC be familiar with the provisions of the contract between CMS and the EDC and understands the roles and responsibilities of each organization. In addition, the MAC will be required to enter into a Joint Operating Agreement (JOA) to formalize the requirements of each organization (see **Chapter 7.2**).

Data center connectivity must be established between the MAC's operational site(s), the EDC, and any IT facility supporting the MAC (e.g., if front end and/or back end services or non-base applications/services are being provided). The MAC is only responsible for

telecommunications to the CMSnet. The CMSnet-to-EDC interface is the responsibility of the EDC.

The MAC must assess and document data center access, security protocols, and processes (test and production regions, operator control files, problem reporting, DDE access for providers, etc.). System access and IDs for authorized testers and production staff will need to be established. Access and system security must also be established with the CMS mainframe for reporting systems such as ART, CROWD, CSAMS, PECOS, and other software applications. All areas must be tested to ensure that access is appropriate and that reports can be submitted timely.

The MAC must also verify that workload regions at the EDC are properly installed, populated, and tested. In addition, the MAC must determine that all interfaces are analyzed, properly established, and tested (e.g., bank files, ARU/IVR, crossover processing, CWF, EDI processes, PSC, QIC, financial reporting, print interfaces, 1099 processing, etc.). IT risks should be monitored as part of the MAC's overall risk management plan and mitigation/contingency plans invoked if necessary.

5.8 Electronic Data Interchange (EDI)

Providers must have the ability to submit claims electronically without disruption. The MAC must ensure that all providers and submitters understand the changes that will take place because of the implementation. Submitters must have the opportunity to receive any necessary training and be able to test with the incoming MAC prior to cutover. The MAC must also provide technical support for any problems associated with claims submission and EDI if there is not a standard front-end contractor.

5.8.1 General

EDI technology facilitates the exchange of Medicare information between computers by providing a standard communication mechanism. EDI is utilized by Medicare claims submitters (e.g., providers, physicians, suppliers, network service vendors, billing agencies, and clearinghouses) as well as other entities with which the MAC shares Medicare information (e.g., trading partners). Some institutional providers use direct data entry (DDE) access into the Medicare shared system for the purpose of submitting and correcting claims. These providers key data directly into a computer that serves as a remote extension of the EDC.

With limited exceptions, all initial claims for reimbursement under Medicare must be submitted electronically in the Health Insurance Portability and Accountability Act (HIPAA) standard format. The exceptions include hard copies, faxes, and optical character recognition (OCR) claims from certain providers. The ability of providers to submit electronic claims via EDI and DDE without disruption is critical to the success of a transition. If submitters cannot have their EMC and claims-related transactions submitted successfully, or if Medicare data cannot be provided to trading partners, it will adversely affect the incoming MAC's operations. Any problems with payment or the

ability to submit claims will increase the customer service workload as submitters attempt to resolve EMC issues. In addition, the MAC may suffer adverse publicity and there may be complaints to CMS or other governmental entities.

The MAC must establish and maintain effective EDI processes for all claims submitters and trading partners. It must allow sufficient time prior to cutover to test EDC submitters to verify that they can accommodate the MAC's front-end requirements and bill successfully. This will reduce Return to Provider (RTP) claims and will assist the MAC in determining what training and/or informational bulletins need to be furnished to providers. The MAC must also coordinate EDI testing with its trading partners.

5.8.2 *EDI Enrollment*

Arrangements for Medicare EMC submission are specified in the CMS standard EDI Enrollment Form. When a submitter wishes to establish EDI capability with a MAC, it must complete the CMS standard EDI enrollment form and submit it to the MAC before production claims will be accepted. Unless otherwise determined, current EDI submitters who have completed an EDI enrollment form with the outgoing contractor do not need to re-enroll and complete a new form. The existing EDI enrollment forms will be transferred to the incoming MAC at cutover. The MAC will make basic EMC software available free of charge to any new provider who wishes to enroll. A nominal fee may be charged to cover postage and handling for the PC software.

5.8.3 *Connectivity*

The **CMSnet** network **may not** be used to provide connectivity between providers/submitters and the MAC. Consequently, MACs must support several connection methods for providers submitting electronic transactions. Providers may choose a direct dial-up connection from the provider's computer to the front-end collection system, or they may choose to use a network service vendor to establish the connection. Providers are responsible for line costs for their use of EDI. As part of its provider communication efforts, the MAC should remind submitters that network service vendors are not affiliated with CMS or the MAC, nor is any vendor specifically endorsed by CMS or the MAC.

5.8.4 *Front End System Translators*

The EDI translator is part of the MAC's front-end collection system and is used to:

- acknowledge receipt of transactions;
- detect errors in EDI transaction syntax; and
- convert HIPAA X12N format and data into transactions that the shared claims processing system recognizes and can receive as input.

By using reports generated by the front-end collection system, submitters can confirm that the electronic files were received and determine whether any errors were identified within the file which prevented claims from being sent to the EDC for processing. CMS requires the MAC to utilize commercial off-the-shelf (COTS) software for its translator; however, the MAC has the choice of what COTS software it will use.

5.8.5 EDI Assessment

As part of its review of the outgoing contractor's operations, the MAC should obtain a complete listing of all vendors, suppliers, providers, and trading partners who are currently submitting electronic transactions. This listing must identify whether submitters are transmitting claims via EDI or DDE and whether the format is HIPAA compliant. Electronic Remittance Notice (ERN) and Electronic Funds Transfer (EFT) information should also be obtained, as should EMC submission rates.

The MAC must determine if there are any special carrier/intermediary claim edits that should be incorporated into its claims processing environment. The MAC must also determine if it interprets the standard format values differently than the outgoing contractor. The MAC needs to be aware of any information (other than claims) that is accepted by the outgoing contractor in a paperless manner and will need to determine whether or not it will be able to accept those items.

The MAC needs to determine as soon as possible if the outgoing contractor's EMC submission comes into the corporate network or directly to the Medicare operation. If EMC comes into the corporate network, the MAC needs to ascertain whether or not Medicare and corporate files are commingled. If so, the files will need to be separated so they can be furnished to the MAC.

5.8.6 EDI Communication

It is required that the MAC provide information, assistance, testing, and training to providers/submitters throughout the implementation period regarding EDI. Vendors, suppliers, and providers must understand any differences in EDI processes and front-end systems so that they will be able to make any changes necessary to their internal EDI processing systems. EDI must be emphasized in the MAC's implementation bulletins and in seminars/workshops. The MAC should also provide personal on-site assistance to submitters, if necessary. It is imperative that EMC/EDI issues are not ignored or minimized by the MAC or submitters. It is also important that the MAC be sensitive to provider concerns regarding any change.

The MAC must allow for sufficient time to test and verify that EMC submitters can accommodate the front-end requirements and can successfully submit EDI transactions into the MAC's front-end at cutover. This will help reduce Return-to-Provider claims and reduce provider inquiries. Testing will also help determine training needs or the content of information bulletins that need to be furnished during the implementation and will help in planning telephone service support after cutover.

The MAC must have sufficient staff available to support the EDI/EMC activity. Incoming contractors normally have additional telephone and technical customer service personnel available immediately after cutover to accommodate questions/issues/problems regarding EDI transactions. It may also be necessary to follow up with providers individually or provide on-site assistance if a submitter continues to have problems. EDI transactions, communications, and related customer service will be monitored closely by CMS after cutover to insure that entities are able to submit claims and receive proper notification and payment.

5.8.7 Early Boarding

Incoming contractors may choose to offer “early boarding” to EDI submitters. Early boarding allows current EDI submitters to have an extended period of time to update connectivity and communication processes and to become comfortable using the incoming MAC’s new EDI front end system prior to the cutover date. It allows submitters who have successfully tested EDI submission and reception to migrate to the incoming MAC’s front-end prior to the actual cutover to the MAC. Early boarders avoid the normal last minute rush at cutover and any unnecessary delays in payments.

During early boarding, submitters will submit claims to the incoming MAC’s new EDI gateway, using their current outgoing contractor ID and submitter ID. In most cases, the incoming MAC will forward submitters’ claims to the outgoing contractor for processing. The outgoing contractor will return acknowledgment and error reports regarding the submission to the incoming MAC, who will then forward them to the submitters. The incoming MAC should discuss the plans for early boarding with the outgoing contractor to ensure that there will not be any claims processing issues. All parties should understand and agree to the details of the process before early boarding begins.

CMS strongly encourages the use of early boarding.

5.9 Electronic Funds Transfer

Electronic funds transfer (EFT) is the process by which Medicare payments are transferred electronically from the MAC’s bank directly to the bank account of the provider. Providers who are already receiving payments via EFT from the outgoing contractor must continue to receive payments electronically from the new incoming MAC.

Form CMS-588, Authorization Agreement for Electronic Funds Transfer is the authorization agreement that providers complete to obtain payment through electronic funds transfer. In past implementations, the incoming MAC was required to obtain a new EFT form from each provider that was currently receiving EFT, unless the MAC already had a completed form from that provider (e.g., the MAC is the incumbent carrier/intermediary for that provider).

In May 2010, the CMS-588 was revised. The revised form does not authorize or name a Medicare fee-for-service contractor to make electronic payments as it did in past versions. Instead, the new form authorizes CMS to make electronic payments and allows CMS to assign its payment rights to a designated Medicare fee-for-service contractor, who may be changed at CMS's discretion. The revision eliminated the need for the provider to insert the name of its Medicare fee-for-service contractor on the form.

Therefore, any provider who has signed a Form CMS-588 (05/10) is not required to complete a new form solely because a new Medicare fee-for-service contractor will be administering the jurisdiction. For those providers who have completed a Form CMS-588 **(05/10)**, the outgoing MAC will transfer the forms to the incoming MAC during the cutover, similar to the EDI enrollment forms (see **5.8.2** above). Providers could begin using the new CMS-588 in May 2010, but the previous version of the form was acceptable through July 31, 2011. Effective August 1, 2011, the CMS-588 (05/10) is the only form acceptable for the receipt of EFT.

The incoming MAC shall obtain and retain a new signed CMS-588 from each provider that has not completed a Form CMS-588 (05/10) or does not already have EFT agreement with the MAC. The providers should submit the CMS-588 to the incoming MAC prior to cutover. This will formally authorize the incoming MAC to electronically deposit Medicare payments into the provider's bank account. The outgoing contractor will transfer any CMS-588 (05/10) forms in its possession.

It is essential that the requirement for the completion of a new CMS-588 be emphasized by listserv, special bulletins, and implementation workshops, etc., as part of the incoming MAC's provider communications. After kickoff, the MAC should immediately begin its efforts to obtain the forms. CMS will be monitoring the percentage of completed EFT forms during the implementation (see **Chapter 11.2.14**). As cutover approaches, the MAC is expected to follow up and personally contact those providers who have not returned a completed CMS-588, especially the high volume submitters. Contact should be attempted numerous times, if necessary. Providers must be warned that failure to complete the CMS-588 by cutover could affect the electronic deposit of funds to their bank accounts.

The incoming contractor shall continue to make EFT payments to providers after the cutover even if it has not received a new CMS-588. The MAC must continue its efforts to obtain the forms after cutover until CMS determines that further efforts would be futile, normally 2-3 months after cutover. At that point, the Contracting Officer's Representative will direct the MAC to follow the policy contained in JSM/TDL-09248, dated May 28, 2009 and place the providers in a "Do Not Forward" status. A letter will be sent to the providers stating that unless they submit a CMS-588 within 10 days from the date of the letter, their Medicare payments will be withheld. The notice will also inform the providers that if they do not respond within 90 days from the date the CMS-588 is due, their Medicare billing privileges will be deactivated. If the provider fails to submit the required CMS-588 in 90 days, the incoming MAC will deactivate the

provider's Medicare billing privileges. See **Exhibit 12, Sample EFT Final Request Notice** for sample language for a final letter.

5.10 Access to CMS Systems

It will be necessary for the MAC to have access to CMS computer systems and the new contractor numbers within those systems. The MAC will work with Implementation Lead to ensure that the appropriate MAC employees obtain that access.

CMS will provide the MAC with a form to list the employees for which access must be obtained. The form includes the employee's name, user identification, address, phone number, e-mail address, and each CMS system to which the employee will need to access. It will be reviewed by the IL and submitted to the CMS Office of Information Services. Some components may not be able to make the requested updates until the actual cutover date due to programming constraints, and the IL will follow up with the MAC to ensure all requested changes are effectuated. The MAC should designate individuals to validate user access at regular intervals following cutover until all changes have been completed.

If outgoing contractor employees will be employed by the MAC, they must have their access to CMS systems deleted by the outgoing contractor. The incoming MAC will then request new access to CMS computer systems for those individuals previously employed by the outgoing contractor. System access cannot be transferred from one contractor to another. However, there may be a need for some outgoing contractor employees to retain their access to perform outgoing contractor closeout cycle validation and other activities while also needing ID access to begin work functions at cutover as an incoming MAC employee. In such a situation, the new IDs for the incoming MAC workload can be set using an alternate primary key (e.g., SSN) approach. Once the outgoing contractor submits the request to delete the old IDs, the incoming MAC can update the new IDs to the correct primary keys.

Chapter 6: TRANSFER OF CARRIER/INTERMEDIARY OPERATIONS

6.1 Overview

While the MAC is obtaining resources and preparing the infrastructure, it must also plan, organize, and control the orderly transfer of the outgoing contractor's workload and documents. The movement of a segment workload at cutover may establish the MAC's operation (i.e., it is the first Medicare workload that the MAC will process) or it may be a merger into the existing operation of the MAC. The tasks required for the transfer of workload will vary between Part A and Part B and may vary among the carriers and intermediaries whose workload the MAC is assuming. The tasks will also vary if the MAC is simply moving its own carrier/intermediary segment workload into its MAC operation, if it will have a relationship with the outgoing contractor (e.g., partnership/subcontractor), or if it will be a "turnkey" operation.

Due diligence and workgroup activities will provide the structure to assess the various functions performed by the outgoing contractor. The MAC will need to get as much information as possible about the outgoing contractor's workload and business procedures for each operational area. This analysis will help the MAC to establish the parameters for what will need to be moved. Process flows will help determine how to move the workload and to where.

Depending on its assessment and the outgoing contractor's performance during the transition period, the MAC may propose to move certain functions earlier than scheduled. Should such a situation arise, CMS will discuss the proposal with all parties involved and reach agreement as to how to proceed. The MAC may also implement process improvements and/or operational changes based on its assessment, as well as reevaluate its staffing requirements. The MAC must be aware of all productivity, production capacity, and quality issues so that they may be addressed. It must also be aware of CMS contractual requirements and all manuals, performance requirements, transmittals, etc. as they relate to any implementation activity.

The MAC and the outgoing contractor must work closely to coordinate activities and monitor inventory and staffing changes throughout the transition. The MAC and the outgoing contractor must also anticipate the likelihood of increased workloads (especially appeals) just prior to cutover. The MAC will need to verify that its system and Medicare operation is capable of supporting the workload that is being assumed and that the responsibility for interfaces and connections is established.

The MAC will also need to ensure that any required agreements and contracts are negotiated and executed. The MAC must have a complete list of trading partners and make certain that trading partner agreements are updated to support operations. If the MAC will be assuming the outgoing contractor's facility or operation, it will need to

review all contracts for services to determine if the contracts can be assumed or if they will have to be renegotiated.

6.2 Claims Processing

The MAC should analyze the outgoing contractor's workload data for all claims processing areas for the current and preceding year. High volume edits, returns, and rejects should be analyzed. Backlogs should be identified to see how they may affect the implementation schedule or require certain functions to be moved earlier than planned. The MAC must work closely with the outgoing contractor to understand how acceptable workload levels will be maintained and to provide assistance if necessary. Any unique processing requirements, special claims processing arrangements, or demonstration projects should be identified. Contract compliance and service issues should also be identified.

The MAC should request the outgoing contractor's claims operations documentation in order to review claims controls, reason codes, monitoring and reporting procedures, quality assurance processes, and the edit process. This will enable the MAC to determine procedural differences between its operation and the outgoing contractor's. Any applicable CPE results should be reviewed, as should all desk procedures and management reports.

The outgoing contractor may not be willing to provide certain requested information because of its proprietary or business nature. If the MAC believes the outgoing contractor is withholding non-proprietary information that is necessary for the successful completion of the implementation, it should contact the CMS Implementation Lead or Contracting Officer's Representative. See **Chapter 4.9 and Exhibit 4**.

6.2.1 Customer Service

The MAC will need to review provider service policies and procedures and determine procedural variances between it and the outgoing contractor. A listing of top reasons for inquiries will provide helpful insight, as will a listing of providers (including provider number) with high call volumes. Also, a list of challenging providers with consistent issues should be obtained. The MAC should review complaint analysis summaries for the past year, if applicable, and evaluate the number of unresolved pending complaints. It should also obtain a historical analysis and trending reports for the past two years.

Workload data (open provider written and telephone inquiries) should be obtained. The MAC should also analyze data on callbacks, quality call monitoring, email inquiries, and the logging and tracking of calls and written inquiries. Copies of quality focused audits performed in past year and any CPE, OIG, or other external reviews should be reviewed by the MAC. The level of automation for correspondence generation should be assessed, and forms, listings, and any routine reports may also be examined.

The MAC must meet with the Beneficiary Contact Center (BCC) contractor to obtain call data and to establish protocols for processing complex beneficiary inquiries (see **Chapter 7.5**). The MAC must also determine the impact of its ARU/IVR and make any necessary modifications to scripts to reflect the acquisition of the outgoing contractor's work. Any workload reduction plan that the outgoing contractor has put in place will be monitored during the implementation. Should customer service indicators show deterioration below acceptable standards, CMS may request that the MAC assume some or all of the customer service functions earlier than originally scheduled.

6.2.2 Medicare Secondary Payer (MSP)

The MAC will need to gather MSP documentation from the outgoing contractor and analyze current operations, desk procedures, and management reports. The MAC will need to obtain copies of MSP reports relative to workloads and pending caseload. A list of all open/active cases and correspondence will need to be obtained. The MAC should review MSP post-payment activities (pending subrogation liability cases, IRS/SSA/CMS data match files and outstanding cases, routine recovery) and MSP debt referral (DCIA process).

The outgoing contractor's current process of tracking accounts receivable (AR) will need to be reviewed. The MAC should determine the status of MSP accounts receivable and work with the outgoing contractor to move any accounts receivable to the MAC's financial system. The MAC will also need to determine the status of the MSP accounts receivable write-off and identify and reconcile MSP accounts receivable for 750/751 reporting. Also see **Chapter 7.11**.

6.2.3 Medical Review

The outgoing contractor should provide medical review (MR) policies, desk procedures, edits, and management reports to the incoming MAC. The MAC should review policies, articles, advisories, and mailings for compatibility and retention and archive this information for historical purposes. Medical records storage/retrieval and privacy act compliance should also be evaluated.

The MAC must review the MR/Local Provider Education and Training (LPET) strategy and reports, as well as the process and procedures of identifying program vulnerabilities. It must analyze progressive corrective action (PCA) procedures, reports, programs, data, and related activities. Data analysis methodology will also need to be assessed. This includes the number and type of edits, edit effectiveness, the number and type of probes, and software for trending reports. Statistics used to determine pattern analysis and other data analysis techniques should be reviewed. In addition, tracking techniques for monitoring the effectiveness of edits and educational activities should be analyzed. The MAC should prepare to receive any workload related to ongoing interventions that address a prioritized problem from the outgoing contractor's MR/LPET strategy.

The MAC should monitor inventory and track the outgoing contractor's automated and manual workloads. Automated review tools should be analyzed and medical record storage/retrieval processes should be evaluated.

The MAC must meet with outgoing contractor's Medical Director and other MR staff to discuss Local Coverage Determinations (LCDs). The outgoing contractor must retain its LCDs and MR edits until cutover and will provide the historical record for each LCD to the MAC. Carrier/Intermediary Advisory Committee activities should also be discussed with the outgoing contractor.

In addition, the MAC must discuss and coordinate its MR activities with the Quality Improvement Organization (QIO) and the Zone Program Integrity Contractor (ZPIC)/Program Safeguard Contractor (PSC). Also see **Chapters 7.4** and **7.8**.

6.3 Appeals

The MAC will need to assess the outgoing contractor's appeal procedures and obtain the status of the first level appeals (redeterminations) that are currently in progress. The MAC will work with the outgoing contractor to develop an estimate of the redeterminations that will be completed prior to cutover and those that will be forwarded to the MAC. The MAC will also need to determine if there are any outstanding requests from the Qualified Independent Contractor (QIC) for reconsideration case files or any effectuations that are in progress. See **Chapter 7.6**.

6.4 Provider Audit and Reimbursement

The MAC will need to determine the location and status of cost reports and rate review files. It should evaluate workload volumes during the transition—desk reviews, audits, focus reviews, exception requests, re-openings, cost report appeals, settlements, and tentative settlements. It should also analyze the outgoing contractor's workload and operations—workflow, monitoring processes, internal controls, payment history, CFO reports, provider correspondence, and Freedom of Information Act requests. If applicable, the MAC should review and negotiate any cost report software vendor contract and evaluate any software that the outgoing contractor may have available for continued use. The MAC should also compare operational procedures and determine if any differences will require changes to its procedures.

6.4.1 Reimbursement

The MAC must make certain that it establishes accurate interim rates, provides key financial reporting, and collects overpayments timely. It will need to obtain current interim rate policies and procedures. It should also obtain provider schedules for interim rate review. The year-to-date accuracy of interim payments should be reviewed, as should the tracking of settlements and interim payments. Payment tolerances in the system will need to be established. The MAC must determine procedures for interim rate

reviews beginning at cutover and for moving workload into the interim rate tracking system. It should also obtain an inventory of pending interim rate reviews.

The MAC will need to get TEFRA, Per Resident Amount (PRA), and Ambulance rates along with an inventory log of all historical rates and supporting calculations. It should also develop procedures for rate maintenance after cutover and incorporating rates into existing tracking logs. The MAC should obtain Sole Community Hospital (SCH) information, review cumulative target amounts for multiple years, establish files for SCH worksheets, and update the existing SCH calculation database. Provider profile data, provider rates, and address information should also be verified.

The MAC will also have to obtain information on the outgoing contractor's debt collection and referral process. It should review the demand letters/tracking process, Provider Overpayment Report (POR) entry and reconciliation process, and the process for entering debts into the debt collection system. The MAC should also review correspondence on overpayments and obtain historical settlement data. The status of outstanding overpayments will have to be determined by reviewing the overpayment documentation and overpayment referrals. The MAC will have to review outstanding claims accounts receivables, extended repayment schedules, and outstanding accelerated payments. It will also need to evaluate internal accounting by analyzing monthly reporting, payment cycles, distribution of Remittance Advices, checks, EFTs, and balancing procedures.

6.4.2 *Audit*

The MAC will need to evaluate the current provider audit operations. This includes all activities relating to cost report acceptance through cost report settlement. It also includes all work related to reopenings and appeals.

The location and status of desk reviews and audit reviews will need to be obtained, as will exception requests, reopenings, appeals and settlements, wage index reviews, hospital audits and on-site reviews. The MAC must determine the audit data to be finalized by cutover and obtain an inventory of filed cost reports that will be unprocessed by cutover. It will also need to prepare cost report due date letters and demand letters for release after cutover.

The MAC should evaluate Cost Report acceptance, Tentative Settlement, and Cost-to-Charge Ratio policies and procedures to determine if there will be changes after cutover. Audit safeguard policies such as workload rotation policy and auditor independence should be evaluated, as well as the settlement and finalization process. The MAC should also determine how files are stored on-site and off-site and determine which will be shipped to its operational location.

The outgoing contractor's annual master audit plan should be analyzed. This would include all cost reports to be received, reviewed, audited and settled during the year. It

would also include recurring, time-specific activities such as the wage index. This plan would be of benefit to the MAC in developing its master audit plan for the coming year.

6.5 Provider Enrollment

When cutover occurs, the MAC will need to ensure that the process for enrolling providers and verifying provider ownership and qualification data is functioning properly. The MAC should obtain the current provider enrollment inventory from the outgoing contractor and review enrollment procedures. Provider application processing timeliness should be reviewed, as well as the provider application pending workload. The MAC's provider enrollment processes must be in compliance with Pub.100-8, Chapter 10.

The MAC will coordinate with the outgoing contractor to determine when the cutoff for requests will be and when all applications will be forwarded to the MAC. Providers must be notified of when and where applications should be mailed. The MAC shall ensure that it has provided for secured on-site storage space for applications and supporting documentation and that the files are properly transferred to its facility. The MAC must verify that it will have access to all PECOS files and records for the providers and suppliers currently enrolled in each segment at the time of cutover.

6.6 Provider Education/Training

As described in **Chapter 12**, the MAC will be responsible for communicating information regarding the progress of the implementation to all stakeholders. A key element of the communication plan is provider education and training. For each segment implementation, the MAC must make sure that providers have a complete understanding of what will be required of them during the transition and the impact of any changes that will occur. Providers especially need to understand the activities associated with the cutover. The MAC needs to work closely with the outgoing contractor to be certain that transition information is transmitted clearly and frequently to providers using various means.

When the outgoing contractor holds its regularly scheduled provider/association/specialty group meetings, the MAC should attend so that it can make an introductory presentation. The MAC and outgoing contractor should continue joint meetings throughout the transition. The MAC may also conduct a number of provider workshops/seminars held at convenient locations throughout each state so that providers can be informed of the changes that will occur.

In addition, the MAC should obtain training history from the outgoing contractor. This includes the locations of meetings, topics, frequency, attendee mailing information, and telephone numbers. Training materials such as presentations, curriculum, and manuals/handbooks should also be reviewed. The outgoing contractor's provider bulletins and newsletters from the past two years may be of benefit as the MAC develops its education

and training plans. The MAC should also provide transition information to the outgoing contractor for inclusion on its website, listserv, and other provider notifications.

6.7 Print/Mail Operations

The MAC will need to analyze the outgoing contractor's mailroom workflow and operations to determine how mail functions will be transferred. The MAC will need to analyze what functions are performed at the mailroom (control, imaging, activation, etc.) and should request a breakout of the types of mail received and the average volumes by day. It will also need to know the volume of system and non-system generated mail.

A decision will have to be made regarding the number of locations mail will be received. The MAC should meet with post office representatives to explore its mail options. The post office can change the ownership of existing box(es), thereby keeping the same post office box number(s) for the MAC, or forward mail to other locations. The MAC may also want to have multiple boxes to handle specific types of claims. The MAC should determine if it will need a mail services contractor for pick up, delivery, presorts, metering of letters, etc. It will also need to determine if additional mail handling, sorting, imaging, and/or metering equipment is needed.

The MAC must work with the outgoing contractor to determine how existing mail will be transferred at cutover. The organizations should also agree on arrangements for transferring mail that is received by the outgoing contractor after it leaves program. The MAC will need to determine how long old PO boxes will be kept open and how long mail will continue to be forwarded. Agreement will also need to be reached on how checks will be handled that are received by the outgoing contractor after cutover (see **Chapter 13.5.2**). Any new mailing arrangements must to be communicated to providers and submitters through bulletins, websites, and seminars as part of the MAC's provider education efforts.

The MAC must evaluate print requirements for each segment implementation. It should evaluate usage trends for letterheads, envelopes, and internal forms. It should analyze all print job requirements, identify any changes, and evaluate any impact caused by obtaining the outgoing contractor's workload. Sample data for documents and reports should be printed and reviewed. Print format changes will then be made and form flashings modified. The MAC should conduct any training necessary for print and inserter operators and develop user documentation.

The print output must be thoroughly tested. Testing should include MSNs, provider remittance advices, and letter and report generation. The MAC needs to understand the current process and schedule that the outgoing contractor uses to generate and mail MSNs. The MAC must also test check generation, the check signing process, Magnetic Ink Character Recognition (MICR) check acceptance by banks, bar coding and sorting, and mail stuffing.

6.8 Determining Stop Work Dates

There will be a need for the incoming MAC and the outgoing contractor to discuss and agree upon the dates when the various workload types should discontinue being processed in the outgoing contractor’s region.

It is critical to establish key dates for the major functions/tasks that drive the overall stop work process. These key dates include last day to scan, last outgoing contractor cycles, first incoming MAC cycles, etc. The chart below outlines the critical items that need to be agreed upon by the outgoing contractor Closeout Project Manager and MAC Implementation Project Manager before the individual workgroups can begin their discussions. It is also advisable to pre-determine uniform stop dates for functions which impact a number of departments (e.g., adjustments) so that all areas are working from a common date. Once the key dates are established, a timeline should be developed and distributed to the workgroups to begin their planning. **No workgroups should begin stop work date discussions before these critical dates are determined and shared with the workgroups.**

Some dates may require CMS approval and/or may not be firmed up until after production simulation (e.g., the number of dark days may increase/decrease). The MAC and the outgoing contractor should do their best to estimate these dates until the final dates are established. If key dates on the timeline change, the MAC should distribute the revised timeline to all workgroups so they can adjust their stop work dates accordingly.

The incoming MAC should also refer to the MAC Cutover and Workload Transfer Planning Document developed by the Medicare Implementation Support Contractor (MISC). The MISC will share this document with the MAC during the kickoff meeting.

Task	Day of Week/Date
Last day to scan paper claims	
Last day to scan correspondence	
Last day to scan OCR	
Last day to scan provider enrollment applications	
Last day to establish new EDI enrollments	
Last day to initiate adjustments/reopenings	
Last day to initiate mass adjustments	
Last day to apply checks	
Date OMAC lock box closes (if applicable)	
Last day to receive EMC claims	
Last cycle date for outgoing contractor	
Dark day(s)	
Cutover day	
Go Live day	
First MAC payment cycle	

6.9 File Inventory

The MAC shall work with the outgoing carrier/intermediary to identify all the files that will need to be transferred to the MAC during the implementation. The MAC must also be aware of any files that the outgoing carrier/intermediary may be splitting and moving to another MAC or other organization during the outgoing contractor's closeout.

6.9.1 General

As soon as possible after contract award, the outgoing contractor (and any other organization that will be moving files during the transition) will develop an inventory of Medicare files in its possession (electronic data files, hardcopy, microfilm, microfiche, tape files, etc.). During this process, the carrier/intermediary must also identify any files that are in a proprietary format which would preclude the use of the data by the MAC. If such is the case, the outgoing contractor will need to convert the files to a standard or flat file format. The inventory should include the file content description, data set information, tape and file processing methods, and record information. A draft inventory should be provided to the MAC, with a copy to CMS, at least **45 days** prior to cutover. All required updates to files must be made prior to transfer.

The MAC will use the inventory to identify the files that it will need for its Medicare operation. The identified files will be the basis for the file transfer plan that will be developed jointly by the outgoing contractor and the MAC. **Exhibit 5, Files to be Transferred to a Medicare Administrative Contractor**, provides a list of the types of files that a MAC would request from the outgoing contractor.

Some of the paper and electronic files that the MAC will require may be commingled with other states that the outgoing contractor will still be servicing. If such is the case, the MAC will enter into a data access agreement with the carrier/intermediary. It is also possible that the outgoing carrier/intermediary has a data access agreement with another Medicare claims processor who possesses archived commingled Medicare records that include providers currently serviced by the outgoing carrier/intermediary. If so, the MAC will need to contact the Medicare claims processor who has responsibility for those records and will need to negotiate a new data access agreement. The IL/COR will be involved in the discussions regarding access to files and will provide a sample Joint Operating Agreement for the development of an agreement.

6.9.2 Mainframe

The movement of mainframe files may be internal or external, depending on where the files are located. Most mainframe files of the outgoing contractor will be resident at the EDC. The structure of all the files will need to be provided along with a description of each directory. Support files such as print/mail, EDI, financial, and ad-hoc interfaces must be included. Passwords will need to be removed from the files and the disk space determined. The actual transfer method/process must be established, with responsibilities

acknowledged. Prior to cutover, the MAC should test that files can be transferred. After the actual transfer, the files should be reconciled with the directory.

The MAC should work with the EDC and/or shared system maintainer to determine if any files require conversion. If so, pre-conversion screen prints should be produced. After the file conversion is run, the results must be verified.

6.9.3 LAN/PC-Based Files

These files include Excel spreadsheets, access databases, and emails. The MAC should assess LAN file listings and establish transfer protocols similar to mainframe files.

6.9.4 Hardcopy

Prior to the actual transfer of files, the outgoing contractor must provide to CMS and the MAC a detailed inventory of hardcopy files, with an accompanying description of each file, including contents, size, dates, etc. All paper files (archived and active, on and off-site) will be inventoried. Once the inventory has been prepared, the MAC will begin to develop a draft file transfer plan with tentative shipping dates and work with the outgoing contractor to ensure that those dates can be accommodated.

The MAC must determine which hardcopy files will be moved and to what location. The outgoing contractor must provide information on any off-site storage sites: what files are stored, content, volume, and security. The MAC should schedule a meeting with the outgoing contractor and the storage facility to discuss transfer activities and access. The MAC will need to determine if any existing storage contract held by the outgoing contractor can be assumed, or if new storage agreements must be negotiated. When storage arrangements are made, the MAC will need to establish or review its storage and retrieval protocols. See **Chapter 9.10** for additional information.

6.10 Encryption

For electronic file transfers, CMS requires that Medicare contractors encrypt all personally identifiable information (PII) contained in a removable media when it is transferred from a Medicare contractor or data center. The encryption requirement may only be waived through written concurrence from the CMS business owner of the data and approval from the CMS CIO, Deputy CIO or Chief Technology Officer.

The only exception to this requirement is for tapes destined for off-site storage or for the purpose of data center transitions, and that data must be shipped using the proper precautions (i.e., locked in sturdy containers). Any other data containing PII that is physically leaving its current location must be encrypted. However, data sent by the network data mover (NDM) does not have to be encrypted since this is an approved and secure communication protocol.

CMS has also approved the use of USB disk drives to transfer electronic data provided that they are encrypted using an approved software product and the password meets CMS

standards: 8 digits alphanumeric at a minimum. The password should be communicated separately. The transfer of data via email is also allowed as long as it is properly encrypted. Section 5.0 of the Business Partner Systems Security Manual states in part that business partners may now use the Internet to transmit sensitive information via encrypted attachments in accordance with all applicable CRs.

6.11 Disposition of Files

All records created or used in the administration of the Medicare program are property of the United States Government. The outgoing carrier/intermediary must release all original Medicare records to the incoming MAC when the workload is transferred at cutover. The only exception is administrative financial files necessary to perform closeout financial functions. Any duplicate records or files shall be destroyed by the carrier/intermediary and certified as such.

Chapter 7: INTERACTION WITH OTHER TRANSITION ORGANIZATIONS

7.1 General

The MAC is required to interface with a number of CMS components and functional contractors in order to perform its contractual obligations. During the implementation, the level of interaction with these organizations will vary, depending on the extent of the interface. The following sections provide information on some of the key functional contractors and organizations that will have significant involvement with the incoming MAC during its implementation.

Functional contractors are administered through direct contracts with CMS. It is possible that the Contracting Officer's Representative or Government Task Leader (GTL) for the functional contractor will have meetings with its contractor and the incoming and outgoing MACs that are separate and apart from any regularly scheduled implementation meeting. The CMS Implementation Lead may participate in these meetings to provide input and perspective in relation to the MAC contract and implementation.

7.2 Joint Operating Agreements

The MAC is required to negotiate and execute a Joint Operating Agreement (JOA) with a number of the functional contractors discussed below. The JOA will define the roles and responsibilities of each party and how they will interact with CMS. The COR/IL will provide sample agreements for use in negotiations. All JOAs should be executed prior to cutover. JOAs are required for the following functional contractors:

- Enterprise Data Center (EDC);
- Zone Program Integrity Contractor/Program Safeguard Contractor (PSC);
- Beneficiary Contact Center (BCC);
- Qualified Independent Contractor (QIC);
- Administrative Qualified Independent Contractor (AdQIC);
- Quality Improvement Organization (QIO);
- Recovery Auditor (RA);
- Medicare Secondary Payer Recovery Contractor (MSPRC)
- Appeals Support Contractor (ASC);

The MAC must enter into a Joint Operating Agreement (JOA) with the above functional contractors to formalize the functions that each will perform. The JOA provides clarification of both contractors' roles, responsibilities, and respective duties. It is a mutual agreement that documents the principals, approaches, and processes that will be used to implement and maintain the working relationship, communication, and information flow between the MAC and the functional contractor. It does not create

affirmative duties, rights, or legal obligations between the parties, nor does it supersede any requirement of either party's contract with CMS. The JOA may be revised during its effect due to changes in program requirements.

The MAC should begin work on the JOA as soon as possible after contract award. There must be a high level of participation between the parties, since the JOA impacts the working relationship of both organizations. The outgoing contractor may also be involved in the process, especially if it will have a subcontracting/partnership arrangement with the incoming MAC, since the work processes of the outgoing contractor and its staff may be utilized in the new operation. The MAC should review the current JOA between the outgoing contractor and the functional contractor to give it a basis for discussions.

7.3 Enterprise Data Center

The MAC must utilize the services of the CMS-designated Enterprise Data Center (EDC). The data center will provide the necessary hardware, application software, resources, and supplies necessary for base (and certain non-base) Medicare claims processing services.

The EDC will be a key participant in the MAC implementation effort. It will be a member of several transition workgroups and an EDC point person will be identified for transition-related issues. It is expected that the EDC will be present at all weekly status meetings. The data center should have its own transition project plan, which will be coordinated with the MAC's JIPP/SIPP and the outgoing contractor's closeout plan. The MAC implementation tasks associated with data center activities must be incorporated into its JIPP/SIPP and may need to be revised once the EDC has developed its transition plan.

The MAC must adhere to all operational processes and procedures the EDC establishes with its users. It may be helpful to obtain a copy of the contract between CMS and the data center to clearly understand what hardware, software, and services the data center will provide. This may also help in defining implementation tasks for the JIPP/SIPP.

The EDC will need to work with the outgoing contractor's data center and any IT facility that will support the MAC (e.g., front-end and/or back-end services not provided by the EDC or non-base applications/services). The MAC will also need to assess and document EDC access, processes, and security protocols. It must work with the data center to establish system security and access for authorized testers and production staff.

The Enterprise Data Center will be heavily involved in the MAC's testing. The MAC must discuss its testing requirements with the EDC and coordinate its testing schedule. The MAC will need to verify that workload regions at the data center are properly installed, populated, and tested. It must also ensure that interfaces are established and tested. These include bank files, ARU/IVR, crossovers, CWF, EDI processes, print interfaces, and 1099s.

The MAC, EDC, and outgoing carrier/intermediary will work to develop a User Acceptance Test (UAT) data transfer plan and production simulation plan for each segment transition. It should be noted that when the Part B MCS split/merge software is used to split workloads between the MAC and the outgoing contractor, sufficient time should be allotted within the segment cutover to allow for a UAT build and testing and a production simulation.

The MAC and the EDC must enter into a Joint Operating Agreement (JOA) that will document the services and support required of each party. CMS will provide a sample MAC/EDC JOA so that the incoming MAC can understand what services, standards, and obligations are expected to be covered. The MAC may use the sample as a basis for developing its own document.

7.4 Zone Program Integrity Contractor (ZPIC)/Program Safeguard Contractor (PSC)

The MAC must enter into a working relationship with the appropriate ZPIC or PSC that will be performing certain Medicare functions within its jurisdiction. It is important that the MAC identify any unique working relationship that the outgoing carrier/intermediary may have with the ZPIC/PSC.

7.4.1 Background

The Medicare Integrity Program (MIP) was created under the Health Insurance Portability and Accountability Act (HIPAA) of 1996. The act gave CMS the authority to enter into contracts with Program Safeguard Contractors (PSCs) to promote the integrity of the Medicare program. It allowed PSCs to perform various functions: medical review, cost report auditing, data analysis, benefit integrity, and MIP provider education. However, under Medicare Contracting Reform, the PSCs became responsible only for benefit integrity activities.

CMS is in the process of establishing seven Zone Program Integrity Contractors (ZPICs), that will replace the existing PSCs. Five of the ZPICs will have a “hot spot” state and will focus on areas of high fraud within those states. When all ZPICs have been established, most Part A/Part B MACs will interact with a single ZPIC.

7.4.2 Transition Activities

The ZPIC/PSC should be a member of any workgroup that involves ZPIC/PIC activities. The ZPIC/PSC and the incoming MAC must coordinate their respective provider communications activities that occur during the transition. This coordination may include joint introductory newsletters and meetings with providers, subsequent provider newsletters, and information presented on the MAC’s website. The incoming MAC and ZPIC/PSC should also develop a joint Deliverables List since both parties may require some of the same deliverables from the outgoing MAC. This will prevent a duplication of effort for all parties.

The COR/GTL for the ZPIC/PSC will closely monitor its contractor to ensure that as much of workload as possible is completed prior to cutover so that the incoming MAC does not receive an unanticipated backlog. Any remaining unfinished ZPIC/PSC work will be forwarded to the IMAC in accordance with the cutover plan, which will be developed with ZPIC/PSC input. Sufficient time must be allowed so that the incoming MAC can review files and ask any questions prior to cutover. The ZPIC/PSC COR/GTL will notify all relevant stakeholders (e.g., DOJ, FBI, OIG) of the roles and responsibilities under the new Joint Operating Agreement and if there are any substantive changes from the current JOA. It should be noted that the incoming MAC is responsible for referring any suspected fraud and abuse to the ZPIC/PSC that it may find during its due diligence or other implementation activities, regardless of the source.

7.5 Beneficiary Contact Center (BCC)

The Medicare Modernization Act mandated that a toll-free number, 1-800-MEDICARE, be the single point of contact for Medicare beneficiary telephone inquiries. This includes any specific question about a beneficiary's Medicare claim. When a beneficiary calls the toll-free 1-800-MEDICARE number and inquires about a specific claim, he/she will be routed to a customer service representative (CSR) at the Beneficiary Contact Center (BCC) who is trained to handle routine claim-specific questions. Written and electronic inquiries will also be handled in the same manner. Each CSR is equipped with the standard Next Generation Desktop (NGD), which provides them with access to the data systems necessary to answer Medicare inquiries.

CSRs will not have the expertise to answer complex beneficiary inquiries. When the CSR cannot resolve the beneficiary's inquiry, it will be referred electronically via the NGD to the Medicare claims processor responsible for the claim. The MAC's research and referral staff will be responsible for investigating, resolving, and providing a direct response back to the beneficiary.

The MAC should meet with the BCC during the implementation to determine the protocols for transferring telephone inquiries and written/electronic correspondence. The BCC must be aware of the MAC's implementation plan and a testing schedule should be developed. The MAC will also need to negotiate a Joint Operating Agreement (JOA) with the BCC that covers the interaction and responsibilities of both parties. The specific email address that the BCC has established for all MAC implementations is: MAC.contact@vangent.com.

7.6 Qualified Independent Contractor (QIC)

Under the Benefits Improvement and Protection Act (BIPA) and the MMA appeals provisions, the MAC is responsible for processing redeterminations, which are first level appeals. Qualified Independent Contractors (QICs) perform the second level claim appeal, which is known as a reconsideration of a redetermination. If a request for reconsideration is made, the MAC must ensure that all case files are forwarded to the QIC and that the files contain all relevant information and evidence, including medical

documentation. The MAC must take all necessary action to forward cases, effectuate decisions received from the QIC or other subsequent level of appeal, and provide payment. It must also forward misrouted requests to the proper servicing QIC.

The MAC must meet with the QIC that is servicing the segment workload that is being transferred. The protocols for forwarding reconsideration requests and other information must be discussed and agreed upon. Any data network connections must be established and tested. The QIC should be aware of the MAC's implementation plan and schedule. It will need to know cutover dates to develop a plan for any outstanding work that it might have. The MAC and outgoing contractor will determine the date that the QIC should stop sending requests for information or effectuations to the outgoing contractor, so that the backlog can be reduced. The MAC will also need to negotiate a Joint Operating Agreement (JOA) with the QIC that will detail the activities and responsibilities of each party.

7.7 Administrative Qualified Independent Contractor (AdQIC)

In addition to the QIC, the Benefits Improvement and Protection Act (BIPA) also provided for the establishment of an Administrative Qualified Independent Contractor (AdQIC). The AdQIC does not process claim appeals. It reviews reconsideration data for statistical and analytical purposes and forwards effectuation information to the MACs in response to Administrative Law Judge (ALJ) and Departmental Appeal Board (DAB) decisions. The MAC utilizes the information provided by the AdQIC in order to properly effectuate the claim in dispute. The AdQIC also develops, maintains, and distributes reconsideration protocols that are used in processing appeals. In addition, the AdQIC conducts training of QIC personnel, disseminates information on QIC appeals decisions to the public, and coordinates various activities with the QICs, MACs, carriers, and intermediaries. The MAC will need to negotiate a Joint Operating Agreement (JOA) with the AdQIC.

7.8 Quality Improvement Organization (QIO)

A Quality Improvement Organization (QIO), formerly known as Peer Review Organization (PRO), is a group of doctors and other health care experts that are paid by CMS to review and improve the care given to Medicare patients. QIOs review complaints about the quality of health care services given to Medicare beneficiaries in hospitals, skilled nursing facilities, CORFs, and home health agencies. QIOs also review cases from hospitals to make sure the care was medically necessary, provided in the appropriate setting, and coded correctly. In addition, QIOs provide assistance to hospitals, nursing homes, physician offices, and home health agencies in measuring and improving quality.

The MAC will make the appropriate referrals to the QIO for medical necessity determinations and accept referrals from the QIO. It will process payment adjustments submitted by the QIO based on medical necessity determinations and DRG validations,

including corrections to the disposition code. The contractor will also receive all notification of billing errors from the QIO and resolve the error.

The MAC will need to contact the QIO that is servicing the segment workload being transferred to discuss the transition. The MAC should obtain a copy of the Joint Operating Agreement (JOA) between the QIO and the current intermediary and use it as a basis to negotiate a new JOA. The procedures for transferring and receiving data and information must be agreed upon. The network infrastructure must be established and tested. The QIO should be familiar with the MAC's implementation schedule and agreement must be reached among the parties as to the last date for referrals to be sent to the QIO and received by the outgoing contractor.

7.9 Coordination of Benefits Contractor (COBC)

The coordination of benefits process identifies other payers that have primary or supplemental payment responsibilities for a beneficiary and incorporates that information into the MAC's claims processing operation. The MAC will need to interface with the Coordination of Benefits Contractor (COBC) on Medicare secondary payer (MSP) issues and on crossover claims. The COBC will be responsible for developing MSP information and for forwarding processed claims data to other health insurers that pay after Medicare.

The COBC is a centralized operation that consolidates data regarding the collection, management, and reporting of a Medicare beneficiary's other insurance coverage. The COBC ensures that the primary payer—whether it is Medicare, employer insurance, or other insurance—pays first, and then makes arrangements for transferring the claims automatically to the secondary payer for further processing. It also maintains a comprehensive health care insurance profile on all Medicare beneficiaries.

7.10 Recovery Auditor (RA)

Section 302 of the Tax Relief and Health Care Act of 2006 requires the Secretary of the Department of Health and Human Services (the Secretary) to utilize Recovery Auditors under the Medicare Integrity Program to identify underpayments and overpayments and recoup overpayments under the Medicare program associated with services for which payment is made under part A or B of Title XVIII of the Social Security Act. The Recovery Auditor was formally known as the Recovery Audit Contractor.

Nationally, there are four RA regions that are configured in the same manner as the DME MAC jurisdictions. Since MACs will continue to review claims in the current fiscal year, each RA will work on claims that are at least one year old. Using an audit plan developed especially for Medicare, the RA will analyze claims that have a tendency to be incorrect despite clear guidance from Medicare. This includes occurrences where Medicare is not the primary payer, complicated payment calculations, and complex procedure codes or services that are "bundled" as required by statute. The RA will request claim history and medical records, if necessary, to determine if overpayments/underpayments exist. If an overpayment is detected, the contractor will pursue payment

and will be reimbursed a percentage of those recoveries. For underpayments, the RA will provide the necessary documentation to the Medicare claims processor for processing payment to the provider.

The incoming MAC will need to negotiate a Joint Operating Agreement (JOA) with the RA covering the interaction and responsibilities of both parties. The Implementation Lead will provide the MAC with a sample JOA for use in negotiating an agreement with the RA.

7.11 Medicare Secondary Payer Recovery Contractor (MSRP)

The Medicare Secondary Payer Recovery Contractor (MSPRC) will handle all Medicare Secondary Payer (MSP) recovery work for Group Health Plan (GHP) and Non-Group Health Plan (NGHP) debts. The MSPRC has taken over new MSP recovery claims and most existing claims. However, some existing MSP recovery claims will remain the responsibility of the MAC. Provider, physician, and other supplier MSP recovery claims will continue to be the responsibility of the Medicare claims processor that processed the underlying Medicare claim. As such, the existing process for recovering debts where the provider, physician, or other supplier is overpaid due to a duplicate payment from an insurer or workers' compensation carrier and Medicare will not change.

7.12 Appeals Support Contractor (ASC)

The Appeals Support Contractor assists the MAC with activities associated with cost report appeals to the Provider Reimbursement Review Board (PRRB). The ASC will assist the MAC in maintaining a hearing file, reviewing position papers, and preparing jurisdictional briefs. It will also provide legal assistance for all PRRB cases. This includes pre-hearing activities and discussions, defending the MAC's position, preparing and cross-examining witnesses, and submitting post-hearing briefs. In addition, the Appeals Support Contractor will authorize any administrative resolutions for cases that are resolved prior to the PRRB hearing. The MAC will need to negotiate a Joint Operating Agreement with the ASC covering the interaction and responsibilities of both parties.

7.13 HIGLAS

HIGLAS is a comprehensive, unified general ledger accounting system that allows CMS to improve accountability for Medicare payments to providers and beneficiaries. It is replacing carrier and intermediary ad hoc, PC-based computer software that is fragmented and overlapping. HIGLAS provides four financial functions: accounts receivable, accounts payable, general ledger, and cash management. HIGLAS will eventually be used by all MAC contractors and for CMS administrative accounting. HIGLAS is a CMS-furnished application and the MAC will access it using a standard Web browser over the internet. MAC personnel will be able to access certain HIGLAS online functions to support their normal job functions.

The MAC will not need to convert any outgoing contractor's financial system to HIGLAS during the implementation period. All outgoing contractors will be either using HIGLAS prior to cutover or will be converted to HIGLAS after the MAC is fully operational; i.e., after the Jurisdiction Operational Start Date. As such, the MAC will not be responsible for any HIGLAS conversion activity during the implementation period.

If a non-HIGLAS MAC will be assuming the workload of an outgoing contractor who is using HIGLAS, the MAC will need to install the HIGLAS application during the implementation period in order to process the outgoing contractor's HIGLAS workload when it is transferred at cutover. In this instance, the MAC will be operating two financial systems within its jurisdiction (i.e., its own non-HIGLAS financial system and the HIGLAS system for the workload that is received from the outgoing contractor). That is because once a Medicare claims processor begins using HIGLAS, its workload must continue using HIGLAS if it is moved. The MAC's dual financial system operation will continue until there is a conversion of the MAC's legacy system to HIGLAS. This will occur after the MAC is fully operational and in accordance with the HIGLAS implementation schedule.

While there will not be any conversion to HIGLAS during a transition, the financial files of an outgoing contractor on HIGLAS will be split at cutover if not all of the states within a specific production region at the contractor's data center will be moving to the MAC's jurisdiction. This will require additional planning and coordination between the MAC, EDC, HIGLAS staff, shared system maintainer, and the outgoing contractor.

7.14 Banking Services

In 2010, CMS changed the banking arrangements for its Medicare claims processors. Previously, MACs and carrier/intermediaries contracted with commercial banks for their financial processing and set up two types of accounts: a benefits account for payments to providers and a time account to pay the bank service charges incurred for Medicare payment disbursement and other financial activities. The earnings from the time account were used to compensate the bank for services rendered.

CMS now contracts directly with two commercial banks to provide all of the banking services needed by Medicare claims processors. MACs and carriers/intermediaries are assigned by CMS to a specific bank. Bank service charges are now paid directly to the bank by CMS; a time account is no longer used. CMS, the bank, and the MAC/carrier/intermediary will enter into a tripartite agreement (as they did under the previous arrangement) that details the responsibilities of each party. Other than the removal of references to time accounts, the tripartite agreement remains basically the same.

The primary banking responsibilities of the three parties are as follows:

Bank

- Draw funds from the Medicare Trust Fund using a Letter of Credit and deposit into the appropriate Medicare claims processor bank account;
- Process all checks/EFTs and provide all contractually required banking services;
- Submit monthly invoice to CMS and the MAC/carrier/intermediary detailing all banking services provided and associated costs; and
- Conduct weekly/monthly reconciliation.

MAC/Carrier/Intermediary

- Issue checks/EFTs to providers/beneficiaries;
- Provide bank with monthly record of checks/EFTs issued and adjustments so that bank can perform monthly reconciliation;
- Verify monthly bank invoice and resolve any discrepancies; and
- Verify that invoiced service charges are valid.

CMS

- Administer CMS/bank contract
- Review invoice and MAC/carrier/intermediary verification
- Resolve issues or questions with bank
- Pay bank for invoiced service charges.

Chapter 8: TESTING

8.1 General

One of the most important activities in any workload implementation is testing. Testing is a large undertaking and various test activities will take place throughout the implementation period. Contractors who have gone through workload transitions have continually stressed the importance of thorough and repeated testing. The MAC should not underestimate the time and effort needed to create a test plan, develop test cases, and establish and train the test team prior to the actual start of testing. CMS will review test results and documentation throughout the implementation to ensure the proper functioning of the MAC's claims processing system and operational environment prior to cutover. Successful completion of testing activities will be necessary in order to obtain approval from CMS for each segment cutover.

8.2 Test Plan

The MAC must develop and maintain a comprehensive test plan for each segment implementation. The plan will provide a detailed narrative describing the activities necessary to test the MAC's processing environment and operational readiness. The test plan should encompass shared system and non-shared system components. It must ensure that all activities are identified, roles and responsibilities are clear, rules for testing are established, and a consistent approach is used by all who support the testing effort. The associated major testing tasks will be incorporated into the Jurisdiction Implementation Project Plan (JIPP) and Segment Implementation Project Plan (SIPP).

An overall discussion of the MAC's testing activities should be submitted as part of the MAC's proposal. The plan should describe the MAC's general approach to testing and should discuss resources, types of tests, and schedules. A comprehensive segment test plan should be developed for each segment within 30 days of the segment kickoff meeting. The finalized segment test plan will be submitted to the CMS Implementation Lead for review and approval. The segment test plan will be the basis for CMS's approval to begin each segment cutover, once all system and operational functions have been tested and any issues resolved.

The test plan should encompass the scope and approach, roles and responsibilities of the various entities involved, types of testing, resources and management, schedule, processes/documentation, and risks as discussed below. These components are discussed below. The test plan should also attempt to balance the scope and desired quality against the timeframes and available resources, while also minimizing risk to the project.

All entities interacting with the MAC's Medicare operation (data center, CWF, CMS, functional contractors, trading partners, and claims submitters) should be included within the scope of the plan. The MAC must meet with its EDC, any IT services provider,

HIGLAS (if applicable) and other entities to coordinate test schedules and to define roles and responsibilities during testing. Testing tasks will be updated as part of the weekly Segment Implementation Project Status Report.

8.2.1 Scope/Approach

The scope of the test plan should define what is to be tested and the approach that the MAC will take to perform testing activities. It should discuss any assumptions that are being made and constraints that may influence the project. The management approach of the testing activities should also be described. The following should be considered in defining the scope of the MAC's implementation testing:

- Communication and network facilities;
- Hardware; and
- Software. This would include the shared system application, non-base system components such as interfaces and any stand-alone or proprietary non-base applications used by the MAC.

8.2.2 Roles and Responsibilities

The plan should detail the roles and responsibilities of all of the various entities involved in the testing. The MAC must ensure that all entities are in agreement with their participation and activities in the testing project.

8.2.3 Types of Tests

There are a number of different tests that may be used during an implementation to validate the areas defined in the scope of the testing project. Some of the tests that have been used for Medicare workload implementations are described below. Not all tests may be applicable to every segment implementation and other tests not listed below may be performed. The MAC's testing activity in sum will determine the operational readiness of the MAC for cutover. Testing terminology may vary from organization to organization, and several types of tests may be performed together. The MAC should ensure that everyone involved in the testing process is aware of the purpose and procedures for the tests. Also, all parties must understand the project terminology and associated definitions.

8.2.3.1 Connectivity/Shared System Validation

This area of testing will ensure that there is connectivity between the MAC operational site(s), the CMS-designated Enterprise Data Center (EDC), and any IT facility that will support the MAC (e.g., front-end and/or back-end applications or services). The MAC's access to CMS and other entities (PSC, QIC, keyshop, etc.) must also be established and tested. Testing must verify that regions are properly configured (production, test, training, etc.), that there is access to the regions, and that any supporting third party software is installed in the proper regions. The MAC will also ensure that the online and

batch components of the Medicare shared systems are properly installed and that data files are available to test.

The MAC must make certain that all authorized individuals have proper access and that data center processes (regions, operation control files, problem reporting, etc.) and security protocols are in place. There should be verification of the various screens and transactions should be entered to ensure system stability. The batch portions of the shared system will also be tested by running multiple daily cycles (and weekly, monthly, and quarterly) to verify that the job flow is correctly established and that data files are present.

8.2.3.2 File Conversion

If there are any files or data to be converted during the implementation, the MAC must verify the data field values and test the converted files to insure that data is properly converted. This may be done via online and batch cycles. The MAC must work with the maintainers to resolve any conversion issues and verify any subsequent reconverted data.

8.2.3.3 System Test

The system test will test the full capabilities of the base shared system and non-base “add-ons.” It verifies that claims processing system requirements are satisfied and that the system is functionally and operationally correct from the user’s perspective. Daily/Weekly/Monthly/Quarterly/Yearly cycles, through payment cycles, are run in the MAC’s test region. MSNs and Remittance Advices are printed as necessary for those test cases requiring verification of printed output. System testing should cover all areas such as online entry, suspense, data validation, processing cycle and adjudication, correspondence, inquiry/customer service, CWF processing, financial processing, file maintenance, history, and reporting. All outputs are verified complete and correct. This type of testing may also be known as a Functional Test.

8.2.3.4 Interface Test

Each interface to the shared systems must be tested. This is necessary to verify that all of the interrelated systems operate as intended within an operational environment. The MAC is responsible for the coordination and testing of all interfaces with other entities in order to ensure a correct data flow to and from the Medicare shared systems. Typical interfaces are shown below, but the list is by no means all-inclusive:

- CWF
- Bank (EFT, check issues, check clears)
- OCR and imaging interfaces
- Trading partners
- EMC formats
- Claim and eligibility crossover formats
- Local and remote printing and mailing

- Provider telecommunications and bulletin board
- ARU/IVR
- NGD
- Electronic remittance process
- Report management systems
- 1099 process.

8.2.3.5 End-to-End Test

In addition to the system and interface testing that verifies production readiness, the MAC must perform end-to-end testing. This test utilizes the EDC, any IT facility supporting the MAC, and external interfaces to insure that all components of the MAC's Medicare system environment operate properly and that Medicare claims can be processed from receipt to payment. This test may also be known as an Acceptance Test or Operational Readiness Test.

The MAC will develop specific test cases to ensure that full system functionality will be tested from beginning to end. The MAC is responsible for creating test scripts or test case scenarios, performing the test, documenting the results, resolving issues, retesting if necessary, and signing off upon completion.

The end-to-end test will mirror the MAC's production processes. It will transmit claims keyed locally and remotely (e.g., keyshop), OCR, and EMC claim files from the EDI front-end to the MAC's EDC. The claims will be brought into the MCS or FISS system in the same manner as will occur in the live production environment after cutover. The files will be processed through the MCS or FISS base system, transmitted to CWF, and finalized. Files will be sent to trading partners and test checks, remittance notices, and MSNs will be produced. These will be sent to providers participating in the test and the MAC's financial institution. All system test output must be verified and all steps in the process must be fully documented. CMS will monitor test progress and review the resultant documentation. The end-to-end test will be one of the factors determining whether or not approval will be given for the MAC to proceed with the cutover. The MAC must ensure that planning for the end-to-end test begins early in the project and that all test entities have sufficient time to complete their testing and any necessary retesting prior to cutover.

8.2.3.6 Stress Test

The online stress test will verify that: 1) simultaneous user access has no significant impact on online response time; and 2) the CICS region and activity data files are properly sized to accommodate all users accessing the system at the same time. The test must be coordinated with the Enterprise Data Center and should last at least an hour. All clerical personnel should sign on to the Medicare shared system and enter a variety of transactions, as they would in normal operation. No data will be validated from this test. The EDC will monitor online access and response time during the test.

8.2.3.7 Volume Test

A volume test is basically a stress test for the claims processing system. The test is performed on the batch system to verify that data files are appropriately sized to accommodate the MAC's claim volume and that the EDC has the appropriate hardware to handle an abnormally large volume of claims. In its test plan, the MAC must identify the data to be used as input to the batch cycle and identify success factors. Generally a triple batch (i.e., three times the average batch size) is used for the test. Production files for electronic claims are used as input to the test.

8.2.3.8 Release Test

Release testing involves testing the changes being made to the Medicare shared systems and operational environment. Release testing follows a standard testing process which defines the specific steps that every system change must go through before it can be placed into the MAC's shared system production environment. During the segment implementations, the MAC may receive shared system releases that must be installed prior to, or concurrent with, a cutover. As such, the MAC will be required to develop release test plans and incorporate them into the overall implementation test plan.

8.2.3.9 EMC Test

Regardless of the method of transmission of claims information, all submitters must electronically produce accurate claims. The testing of the EMC process is a critical part of the overall implementation test plan and it is during testing when submitters find errors, omissions, and conflicts within their systems. Testing allows these problems to be corrected before the actual standard transactions are used after cutover.

Testing with providers, vendors, and suppliers involves exchanging files and validating that data integrity is maintained throughout the exchange. Submitters should send the MAC a test file containing a minimum of 25 claims, which are representative of their practice or service. The MAC will then subject the test claims to format and data edits. Format testing will validate the programming of the incoming files and includes file layout, record sequencing, balancing, alpha-numeric/numeric/date file conventions, field values, and relational edits. Data testing will validate data required for specific transactions, e.g., procedure/diagnosis codes and modifiers.

It is imperative that the MAC contact EMC submitters through its communication and educational plan to inform them about testing opportunities and protocols. The MAC should provide detailed information regarding submitter testing and coordinate test schedules. Continuous follow-up with the submitter should take place if it is found that testing is falling behind schedule. CMS will be monitoring EMC testing closely and will be especially concerned about the testing status of large providers.

If the MAC cannot perform sufficient testing due to time constraints or other considerations, it may be possible to arrange with the outgoing contractor to act as a

clearinghouse. The outgoing contractor would continue to receive claims after cutover until such time that the MAC can successfully accommodate all current and new EDI and DDE submitters. Using this contingency, the MAC would test with the outgoing contractor to ensure that all EMC claims are being received successfully.

8.2.3.10 Cutover Simulation

A cutover simulation may be conducted prior to cutover to ensure that all NDM jobs are identified and all associated programming changes are completed at the time of cutover. Conducting a cutover simulation may detect and correct problems that could be encountered during implementation (e.g., bank file issues, check printing issues, 835 generation, HPTP, etc.). It is important that the MAC, outgoing contractor, and EDC discuss key activities during the planning stages of cutover simulation. Decisions will need to be made on actions such as dark days, payment cycles, and the possible need for a payment floor release. In addition, there will need to be decisions on financial closeout activities, including when the outgoing contractor's final payment cycle will occur. The need and the timing of these activities should be determined and agreed upon at this juncture so that testing can be performed to eliminate any unexpected issues during cutover.

If it is deemed necessary, two cutover simulations may be scheduled. Both simulations should occur early enough to allow for time to resolve any problems prior to cutover. Also see **Chapter 9.6**.

8.2.3.11 Automated Adjudication Systems

When the incoming MAC takes on the Medicare workload, it will inherit the automated adjudication system (AAS) configurations of the outgoing contractor. The incoming MAC should review all of the AAS configurations to determine if they are needed for the MAC's environment. If so, the incoming MAC should fully test the impact of the AAS on claims processing prior to production implementation. The MAC should run test claims through the applications that are impacted by the AAS scripts to make certain that claims will process completely and as intended. When sufficient testing is conducted to determine the impact to processing, the MAC may move the new environment into production. Evidence of this testing should be kept for a minimum of one year to cover the audit period. In addition, the test scripts created for inherited automated adjudication systems should be added to the test deck run quarterly to validate the AAS library at each release (CR 3011 and the clarifying CR 5935).

Any changes to an outgoing contractor's AAS scripts after the most recent quarterly release must be analyzed to determine if there will be any impact to the provider community. The MAC must clearly communicate any processing changes to providers and submitters early and often in bulletins, special newsletters, and/or training seminars/workshops/teleconferences. Documentation of the analysis and testing should be maintained.

8.2.4 Resources

The test plan should detail both physical and human resources needed for testing. It should describe the organizational structure of the testing team, the functions to be performed, and how many people are needed to satisfy the objectives of plan. Also, any training or preparation needs should be considered. The plan should describe any additional hardware, software, or security necessary for test activities. Other considerations to be addressed include: which shared system environment (test or production) will be used; if usage will differ depending on the type of test; and how often the system environments have to be available and at what specific times.

8.2.5 Schedule

The MAC needs to detail the tasks and schedule for test activities. The tasks, dependencies, duration, and resources required for each task should be provided. The timing for tasks (start date, completion date, milestone dates, etc.) must also be included. On a more detailed level, the MAC will need to coordinate the test cycle timing for the various areas to be tested such as EMC, batch cycles, payment cycles, CWF, crossovers, etc. The major test activity and tasks associated with them will be incorporated into the JIPP/SIPP.

8.2.6 Processes and Documentation

The test plan must outline how the testing will be conducted. It should discuss the methodologies and procedures for conducting tests and any subsequent retesting. A test bed of cases and scripts for all areas should be developed with defined objectives and expected results. Management activities, such as how testing will be incorporated into the workgroup structure, internal meetings, reporting, and distribution, should be detailed. How issues/errors will be tracked, reported and resolved (i.e., problem log) must also be part of the plan. Deliverables and documentation (screen prints, file dumps, reports, EOMBs, MSNs, RAs, checks, correspondence, etc.) should be listed. The plan should also show who will review and approve test results and provide a description of any quality assurance activities.

8.2.7 Risks

The MAC should identify any test-related risks that may occur during the implementation and identify mitigation actions to reduce the likelihood that the risk will occur. The MAC will also need to develop contingency plans should mitigation actions not be effective.

Chapter 9: CUTOVER

9.1 Definitions

Cutover:

Cutover is the actual point in time when the outgoing carrier or intermediary ceases Medicare operations and the MAC begins to perform those functions.

Cutover period:

The cutover period is defined as the period of time surrounding the actual cutover. It usually begins 10-14 days prior to the cutover and ends with the MAC's Segment Operational Start Date, defined as the day that the MAC begins normal Medicare operations for the segment workload that it assumed at cutover. During the cutover period the outgoing carrier/intermediary makes final preparations to shut down its operation and transfer its claims workload and administrative activities. Correspondingly, the MAC makes final preparations for the receipt and utilization of Medicare files, data, and acquired assets. The activities that occur within the cutover period and shown on the cutover plan (see **Chapter 9.2** below) are normally referred to as cutover tasks.

Post-Cutover:

Post-cutover is a CMS-designated period of time beginning with the MAC's Segment Operational Start Date. The post-cutover period is when CMS will closely monitor the MAC's operations and performance to ensure the timely and correct processing of claims for the workload that was transferred. CMS will also track any open SIPP/cutover plan issues and track resolution of any problems associated with the implementation. The post-cutover period is generally three months, but it may vary in length depending on the success of the implementation. Post-cutover activities are described in **Chapter 10**.

9.2 Cutover Plan

The MAC will be required to submit a cutover plan for each segment workload that will be transferred. The cutover plan is an expansion of the cutover tasks that are shown in the MAC's SIPP. The plan should be submitted to CMS for review no later than 45 days prior to the actual segment cutover. There are a number of factors that will influence the cutover plan. Planning should be done well in advance to ensure a smooth transition.

The Medicare Implementation Support Contractor (MISC) has prepared the MAC Implementation Cutover and Workload Transfer Guide that contains specific cutover information, detailed tasks, and lessons learned from previous cutovers. This document

is extremely helpful in planning and developing a cutover plan. A current version of the guide will be distributed at the Jurisdiction kickoff.

The cutover plan shall be a separate document from the SIPP. It will contain very detailed and specific information, showing tasks at a very low level, and it may be detailed to an hourly level at times. Many contractors use the plan as a checklist and to script the events and deliverable dates during the cutover period. The cutover plan must be developed jointly with the outgoing contractor, along with input from CMS, the EDC, the PSC, and any other entity that will be playing a significant role in the actual transfer of the segment workload. The MAC should also work with impacted peripheral system maintainers (e.g. NGD, NPI, CERT, CWF, PECOS, COBC, etc.) to document all tasks related to their systems and to whom those tasks are assigned. The MAC should verify that assigned individuals are aware of the assignments and prepared to complete the tasks. This is especially true of tasks assigned to CMS staff members for NPI file processing.

After a draft of the cutover plan has been developed, many MACs have found it helpful to have a teleconference with all parties involved in the cutover to walk through the plan. Each cutover task will be discussed so that all involved understand what specific activities will be taking place and at what times.

The cutover plan should show the responsible organization, any JIPP/SIPP task number, the responsible workgroup, the task description, start and finish times, status, and comments. All entities must agree on the schedule and the tasks to be performed so that there is no confusion regarding time frames, the specific cutover responsibilities for each party, items to be transferred, and terminology. The MAC has the overall responsibility for preparing the cutover plan and submitting it to CMS. The plan must be distributed to all involved parties, transition team members, and workgroups. The plan should be updated and distributed daily when the segment cutover period begins.

9.3 Cutover Workgroup

Normally, a cutover workgroup will be established to manage cutover activities. It should be composed of representatives from the MAC, outgoing carrier/intermediary, CMS, and other involved parties; e.g., EDC, HIGLAS, shared system maintainers, etc. The workgroup will be responsible for cutover planning and scheduling, developing the cutover plan, and facilitating the data migration. As with all workgroups, it should be established in accordance with **Chapter 3.6**. While some MACs have waited for a period of time after kickoff to formally start the cutover workgroup, given the necessary coordination and complexities of the cutover, it is recommended that the workgroup start immediately after kickoff, along with the rest of the workgroups.

The cutover workgroup will need to be aware of all of the other workgroups and their activities. It is important that all workgroup meeting minutes and issues/deliverables logs are forwarded to the cutover workgroup lead. The group must be informed of any decisions made by the MAC Segment Project Manager, the carrier/intermediary Closeout

Project Manager, or other workgroups which will impact the manner or circumstances of the transfer of the segment workload. The other transition workgroups will provide input to the tentative cutover tasks and timing developed by the cutover workgroup. They will propose additions and/or deletions to the task list and recommend any schedule change. With the input from all of the other workgroups, the cutover workgroup will coordinate the cessation of activities (file changes, mail, etc.), determine the necessary production interruptions (EMC, OSA queries), establish dark days, and schedule and monitor the actual transfer of files and assets.

As with any other workgroup, cutover meetings will be held weekly and the agenda will follow the same format, including discussion of cutover issues, action items and accomplishments. Meetings should also discuss transition task progress, current inventories, risk evaluation, file transfer, and any facility or human resources updates. All issues that are identified by CMS or raised in the status reports, workgroup minutes, or any other forum must be placed on the issues log documenting cutover issues and discussed at each workgroup call.

9.4 Daily Cutover Meeting

Approximately 10-14 days before cutover, the MAC should begin daily cutover teleconferences with the outgoing contractor, CMS, the EDC, and the other parties involved in the transition. The purpose of the meeting is to go over the cutover plan and the daily events that are scheduled to occur. The MAC and EDC should also provide a brief synopsis of the previous night's activities. Participants will then review the cutover plan checklist of activities scheduled for the day and determine if tasks scheduled for the prior day(s) have been accomplished. The meeting will also discuss activities for the upcoming day to ensure that everyone is in agreement as to what needs to be accomplished. In addition, the meeting should review any problem log or issues identified by any of the other workgroups that pertain to the cutover. The MAC should also contact the peripheral system maintainers (NGD, NPI, CERT, CWF, PECOS, COBC, etc.) early in the week preceding the cutover to ensure they will be ready for the MAC's operational start date.

The time of day for the daily teleconference has varied among contractors. Some MACs have held meetings in the late morning; however, it may be more beneficial to conduct the daily call in the afternoon so that more information will be available and task completions can be better assessed. Some MACs have also found it helpful to have two daily cutover meetings beginning several days prior to cutover in order to monitor the increasing number of activities that take place throughout the day. The MAC should document the daily cutover meetings and highlight any issues or action items. The cutover plan and issues/actions log should be updated and distributed prior to the next daily meeting.

Key personnel involved in the cutover should have a backup means of communication so that they may be able to be reached in case of an emergency. Cutover meetings will continue on a daily basis through at least the first week of post-cutover segment operation

or until all issues are resolved. At that point, CMS will make a decision as to the frequency of the meetings.

9.5 “Go/No-Go” Call

CMS may wish to have a formal “go/no-go” teleconference with the transition participants approximately 7-14 days prior to the cutover. The purpose of the meeting is to ensure that all participants in the transition are in agreement that there are no outstanding issues that would prevent the initiation of the final cutover activities that will culminate in the MAC contractually assuming responsibility for all segment Medicare claims processing functions. If such a meeting will be held, the CMS Implementation Lead will coordinate with the MAC regarding the date and time. The MAC will be responsible for setting up the meeting and providing toll-free lines. All parties directly involved in the cutover activities should be in attendance.

9.6 Cutover Simulation

The incoming MAC may conduct a cutover simulation prior to cutover. Cutover simulation is the process of executing the cutover plan, using production data, prior to the actual cutover in order to test the process and gauge execution time for the entire process. It will identify missing tasks and/or sequencing in the cutover plan and identify issues that would have occurred at cutover (e.g., bank file issues, check printing issues, HPTP, etc.) so that they may be corrected. It will help ensure that all NDM jobs are identified and all associated programming changes are completed at the time of cutover.

A cutover simulation will require the participation of the parties that will be involved in the actual cutover. To the extent possible, the staff used during the simulation should be the same staff that will be used at cutover and the participants should simulate all of activities for which they will be responsible. The more familiar staff becomes with their assigned cutover responsibilities, the less chance there will be that problems or misunderstandings will arise during the actual cutover.

It is important that the MAC, outgoing contractor, and EDC discuss key activities during the planning stages of cutover simulation. Decisions will need to be made on actions such as dark days, payment cycles, and the possible need for a payment floor release. In addition, there will need to be decisions on financial closeout activities, including when the outgoing contractor’s final payment cycle will occur. The need and the timing of these activities should be determined and agreed upon at this juncture so that testing can be performed to eliminate any unexpected issues during cutover.

Weekends are the best time to conduct cutover simulations; however, EDC and telecommunications down times must be considered when determining the schedule. If deemed necessary, the cutover plan should schedule two simulations. The second simulation may not be necessary if there are no problems discovered during the first simulation. Both simulations should occur early enough to allow time to resolve problems prior to cutover. Cutover simulations should occur in test regions that best

reflect the production regions. All issues identified during cutover simulation must be added to the issues log and reported at cutover meetings. This communication is vital to ensure that the appropriate parties are aware of all outstanding issues and the individuals who have responsibility for their resolution.

If no cutover simulation is conducted, the MAC should perform thorough end-to-end testing to ensure that all NDM jobs are identified and all associated programming changes and triggers are in place and completed at the time of cutover. End-to-end testing should be conducted early enough to resolve any problems that may be encountered.

9.7 EFT/EDI Progress Report

The MAC will monitor the percentage of completed **CMS-588 Authorization Agreement for Electronic Funds Transfer** forms throughout the implementation. The MAC will complete an EFT/EDI Progress Report on a weekly basis that will be submitted with the Implementation Project Status Report. The report will show EFT information such as the number of providers, the total number of forms returned, total verified, forms with missing information, percentages, etc. The report will help the MAC focus on its efforts to ensure that all EFT providers complete the necessary CMS-588 prior to cutover. The report will also allow CMS to monitor progress and direct additional efforts if necessary. When the cutover period begins, CMS will require the MAC to provide daily reporting of the EFT/EDI Progress Report. See **Chapter 5.9**.

The report should also provide CMS with the status of provider and trading partner EDI activities. This would include numbers and percentages of provider documentation received and testing information such as test/production set up and completion. For a Part A segment, the report should also show any DDE provider information such as registrations received, security forms returned, and testing status. See **Chapter 5.8**.

9.8 System Dark Days

One of the issues for discussion and resolution during the transition will be the number of system “dark days” that will occur at cutover. During the cutover, the outgoing contractor must complete all billing cycles, validate payments, cut payment checks, and prepare financial and workload reports prior to the actual cutover and the end of its Medicare contract. The MAC must verify that all telecommunications, hardware, software, and equipment are installed, tested, and properly functioning after the cutover. In addition, the MAC will need to run cycles to check out the transferred files and claims processing functions. The EDC will also be changing contractor numbers and identifiers for reports, database tables, etc.

The time that it takes to accomplish the abovementioned activities will vary from one transition to another. Cutover normally occurs during a weekend at the end of a month; however, if the outgoing contractor is on HIGLAS, cutover will need to be in the middle

of the month. Most of the time, two weekend days is insufficient to complete all of the cutover activities. If such is the case, then a “dark” day or days will be required.

A dark day is a business day (Monday-Friday) during the cutover period when the Medicare claims processing system is not available for normal business operations. There is no online access or capability, providers cannot access the system, current claim information cannot be provided, there is no direct data entry (DDE), and claims cannot be processed.

System dark days may occur between the time the outgoing contractor ends its final batch cycle and the MAC begins its first day of normal business operations for a segment. Providers may submit EMC during dark days. Other than claims that may be processed as part of the system checkout, EMC will be held and processed after cutover, normally on a staggered basis during the MAC’s first week of operation. Hardcopy claims may be keyed, but only if stored and submitted when regular processing cycles have begun. While Customer Service Representatives (CSRs) could field certain inquiries during a dark day, normally there is no customer service available. IVR information will be limited to information from the final run of the outgoing contractor until completion of the MAC’s first cycle.

Some cutover schedules may include a “dim” day. A dim day is a business day where there is some limited access to the system. It usually occurs after the actual cutover when the incoming MAC is validating its system and checking out its operation. As various components and portions of the claims processing system are validated, they will become available for access by providers. Providers may have some capability with direct data entry (DDE) and they should be able to get up-to-date information from the IVR. Customer service representatives may also be able to respond to some inquiries.

The MAC, in conjunction with the outgoing contractor, EDC, HIGLAS (if applicable), and shared system maintainer, must develop a cutover schedule and agree to the number of dark days that will provide sufficient time to accomplish all of the cutover activities. The number of dark days that are necessary will vary depending on the calendar, the size of the outgoing contractor, the length of time required for the outgoing contractor’s final cycles and closeout activities, and the various other cutover activities that may have to be performed by other functional contractors.

Most cutovers will require one or two dark days, but some cutovers may require more. CMS must be involved in the dark day discussions and a formal request for dark day approval must be submitted to CMS. CMS will consider the reasonableness of the involved parties’ proposal and the assurances that provider impacts were taken into account. CMS will provide final approval of the number of dark days for the outgoing contractor and/or the incoming MAC as part of its approval of the overall cutover plan.

CMS expects that the incoming MAC will post cutover information frequently on its web site and make listserv announcements to providers regarding the cutover. It is important that providers are aware of the number of scheduled dark days and the effect those days

will have on claims submission. Providers will also need to know the availability of IVR and customer service representatives for inquiries, as well as the availability of EFT, ERAs, and the EDI Helpdesk.

Some incoming MACs have found it beneficial to establish a status inquiry line over the cutover weekend so that interested parties can obtain frequent updates to the status of cutover activities.

9.9 Release of the Payment Floor

Discussions regarding the release the payment floor usually begin in the cutover workgroup. Depending on the circumstances of the transition, the payment floor may or may not be released. If the floor is released, the time requirement for holding adjudicated claim payments is modified and claims are paid prior to their normal scheduled payment date. The release of the payment floor eliminates the need to transfer to the incoming MAC those outgoing carrier/intermediary adjudicated claims that are waiting to be paid.

CMS has determined that the payment floor will only be released in the following situations:

- HIGLAS involvement during any Part A or Part B segment cutover.
- Changes to the Part B MCS system during the cutover of a segment (e.g., splits, merges).

For Part A segment transitions that do not involve HIGLAS, or for Part B segment transitions that do not involve HIGLAS or any MCS changes, the floor normally will not be released.

Release of the floor is known as “pay forward” when there is HIGLAS involvement in the cutover. The outgoing carrier/intermediary must submit a pay forward request for the HIGLAS workload and other workloads within its organization. If the HIGLAS workload being moved to the incoming MAC will be merged into an existing HIGLAS organization, the MAC will also need to submit a pay forward request for the existing workloads within its organization.

The decision to release the payment floor should be made prior to or during production simulation planning and agreed upon by all stakeholders. CMS must formally approve the release the payment floor. The incoming and outgoing contractors will develop a written plan for the release of the floor and its reinstatement. The plan will provide the reason for the release and describe the process and timing of the release. It should also analyze the impact that the release will have on the carrier/intermediary’s other operations (EFT, ERAs, etc). In addition, the carrier/ intermediary will need to discuss how the providers will be affected and how payment information will be communicated. If the floor will not be immediately reinstated by the MAC at cutover, there must be some description of how the payment floor will be gradually reinstated.

The MAC and carrier/intermediary must develop a sample communication to be distributed to the provider/supplier community by listserv and other means. It will address the change in payment schedule and the impact on the issuance of ERAs, paper checks, and EFT. It also should contain an explicit reminder about the weeks immediately following cutover. Providers must understand that they may experience lower, or no, payment amounts during the first weeks after cutover because claims submitted prior to the cutover were paid earlier than they normally would have been.

9.10 Data Migration

The outgoing contractor will prepare all Medicare files and records for transfer to the prescribed locations detailed in the file transfer plan, which will be developed by the carrier/intermediary and the MAC. Both contractors must comply with the requirements contained in **JSM TDL-10305, 06-01-10** and **JSM TDL-11058, 11-23-10** for the preparation and control of non-electronic files that will be transferred. For the shipment of electronic media, Medicare contractors must comply with encryption standards set forth in **FIS 140-2**. Also see **Chapter 6.9**.

9.10.1 Final Inventory

During the cutover period, the carrier/intermediary will provide the MAC with a final inventory of all files and records that will be transferred to the MAC and any other organization involved in the transition (see **Chapter 6.9**). The final inventory will give a description of each file, including contents, size, location, dates, etc. The inventory list will be used by the workgroups or project managers to determine where files and records will reside after cutover and will be the basis for developing the final file transfer plan. If there is more than one operational site for the outgoing contractor, an inventory must be prepared for each site. Any files that will be split and moved to another MAC or organization during the transition period must be identified.

Once the inventory has been finalized, files should be verified to determine the quality of the inventory results. If records are not electronic, physical sampling should be performed to confirm the accuracy of the information recorded on the inventory form. To the extent possible, the incoming MAC should verify that all required updates to records have been made by the outgoing contractor prior to transfer.

9.10.2 File Transfer Plan

The carrier/intermediary and MAC will develop a draft file and record transfer plan at least 30 days prior to cutover and finalize the plan during the cutover period using the outgoing contractor's finalized file inventory. Files may be 1) transferred to the MAC's facility (or some other Medicare contractor) for support of its operation; 2) kept at the existing operational site or existing storage facility with transfer of ownership; 3) sent to a MAC storage facility or contracted storage facility; or 4) in the case of duplicative files, destroyed.

The MAC and outgoing contractor should meet with the management of all storage facilities to discuss transfer access, protocols, and schedule. Certain files may be commingled with other states that are not moving to the MAC and will continue to be serviced by the carrier/intermediary. If the carrier/intermediary will maintain possession of commingled files, the MAC will need to negotiate a data access agreement.

The file transfer plan should describe the files and records to be transferred by type (suspense, EMC, audit and reimbursement, MSP, etc.) and destination. It should also establish a schedule for the transfer of the workload with shipping dates and times for any files to be moved. In addition, the plan should provide the cutoff or stop work dates that the outgoing contractor will stop updating or processing particular types of claims or files. The plan should provide a description of the method of data transfer (e.g., tapes, NDM), transfer protocols, manifesting, packaging, and labeling all claims and correspondence. The workload may be transferred in phases rather than all at one time, especially if there is serious staff attrition in certain areas of the outgoing contractor's operation. This possibility should be accounted for in the MAC's risk management plan. CMS must be provided a copy of the final file transfer plan approximately one week prior to cutover. See **Exhibit 11, File and Record Transfer Plan contents for additional information.**

The MAC should work with the outgoing contractor to insure that all required updates to files are made prior to transfer. A test transfer of files should be made prior to cutover and the MAC must test transferred files as part of its system checkout at cutover.

9.10.3 File Format

Files scheduled to be transferred to the MAC in an electronic format must not be in a proprietary format which would preclude the use of the data by the incoming contractor. The outgoing contractor must change any electronic files stored in a proprietary format to a standard or flat file format prior to transfer to the incoming MAC.

9.10.4 Packing

The transfer plan should provide for early packing of as many operational files as possible without any negative impact on the operations of the outgoing contractor. Normally, records are not all packed and moved at one time. The outgoing contractor will try to pack and ship as many operational files as early as possible while it has the resources to do so, thereby mitigating the possibility of records being packed and/or labeled improperly. The carrier/intermediary is also responsible for ensuring that the boxes containing data to be transferred to the MAC are appropriate for the content and in suitable condition for shipment.

The outgoing contractor should use a labeling system so that boxes are routed correctly to the MAC for operational use or storage. At a minimum, the label of each box of files should display the title of the record series, and the earliest and latest dates of the records in the box. All files to be physically transferred must be inventoried and tracked in

accordance with the provisions of the Internet Only Manual (IOM) and applicable CMS information security requirements. The MAC should ensure that workload counts derived from workload tracking systems and submitted by the outgoing contractor prior to cutover also include any untracked work that has not been entered into the system.

CMS will be monitoring the process of packing and labeling during the transition process. CMS and/or the incoming MAC may make periodic on-site visits prior to shipment to insure that files are properly prepared, inventoried, and meet security requirements.

9.10.5 Transfer of Hardcopy Files and Physical Assets

The MAC will be responsible for the shipment of files and any physical assets (equipment, supplies, furniture, etc.) that it obtains from the outgoing contractor. The method of shipment will normally be commercial common carrier; however, in certain situations, the MAC may find it more practical or cost effective to move the files itself. Regardless of the method of shipment or the organization transporting the files, all CMS procedures regarding the safeguarding of paper records contained in **JSM TDL-10305, 06-01-10** and **JSM TDL-11058, 11-23-10** must be followed. **The cost of conveyance is borne by the incoming MAC.**

It may be beneficial to have a MAC representative at each of the outgoing contractor's locations from which items will be shipped. These representatives would sample files to verify content and proper labeling, and would ensure that items are loaded for the proper destination with the proper invoices. They may also check assets against the acquisition list to verify that all are accounted for and in the proper condition.

9.11 Sequence of System Cutover Activities

The following sequence of system activities will occur at the segment cutover:

9.11.1 System Closeout

The outgoing contractor will close out its system operations by performing its final batch cycle, final CWF queries, the final payment cycle, and the final weekly, monthly, quarterly, and yearly workload runs. A 1099 file will also be generated. Files will be purged in accordance with applicable instructions regarding time requirements for the retention of Medicare records.

If an implementation occurs on a non-quarterly end date, the MAC should work with the outgoing contractor and the EDC to determine whether a quarterly cycle needs to run as part of the closeout cycle. Analysis needs to be performed by the MAC and the outgoing contractor to determine which reports are needed, and the EDC will need to determine what system changes or updates will be necessary.

9.11.2 Back Up

The outgoing contractor's data center will backup and verify the final data. The MAC and EDC will determine how long the backup will be available for inquiry after cutover, should it be necessary.

9.11.3 Transfer and Installation

If there is a physical change in data centers during cutover, files will need to be transferred. This would include preparation of programs and JCL to load the files and data bases. If there will be no change in data centers, files will be copied from the outgoing contractor's region to the incoming MAC's region at the data center. Regardless of any data center change, the final data would be loaded and system changes (user file changes, base system changes to FISS or MCS, release changes, non-base system changes) will be made. Changes could include: MSN and remittance advices, identification number, print/mail interfaces, ARU/IVR scripts, etc.

9.11.4 Data Conversion

It is possible that the MAC may receive files that will need to be split, merged, or converted during cutover (e.g., workload or financial files). If so, after the conversion programs have been run and the production environment has been populated with converted data, the MAC will validate the conversion output.

9.11.5 Initial System Checkout

An initial system verification will be performed by the MAC. It will verify online connectivity and insure that the production system can be accessed. The transfer and availability of files will be checked, as will customer interface processes. The MAC will also determine if hardware, software, and equipment is installed and operating properly.

9.11.6 Functional Validation of System

The MAC should run cycles to check out operational functionality. This would include online data entry, claims activation, file verification (files accessible, proper formats, correct information), inquiries, batch processing, and testing. The first validation cycle may run conversions for claims and correspondence that were pending after the outgoing contractor's last cycle. After the cycle data is validated, another cycle may be run to process claims entered specifically for the validation, correspondence, and backdated EMC files that were received and held during the outgoing contractor's cutover activities. The MAC will verify system output after each cycle and will then make a decision whether or not to begin normal business operations for the segment.

9.11.7 First MAC Production Cycle

The first production cycle will be run after the first day of normal business operations and the output will be validated. The cycle will include input from all functional areas and any additional EMC held from the cutover period, as well as OCR/ICR and DDE. All

aspects of the system should be verified; e.g. data entry, edits/audits, suspense, correspondence, adjustments, inquiry, etc. Interfaces and data output that will be transmitted must also be verified (EFT, EMC, CWF, COBC, etc.). All print/mail functions will be validated, including checks, remittance advices, MSNs, automated correspondence, and reports.

9.12 Reporting

The outgoing contractor is responsible for the completion of all monthly and quarterly reports through the end of its Medicare contract. If the outgoing contractor leaves before the end of a quarter, it must complete all reports through the month of cutover (or through the day of cutover if the outgoing contractor leaves mid-month). The MAC is responsible for completing all quarterly reports beginning with its first cycle run after cutover. Therefore, if an outgoing contractor does not leave at the end of the quarter, an agreement must be reached with the outgoing contractor for the sharing of data so that the MAC can produce a quarterly report.

9.13 Cutover Communication

Communication with providers and submitters regarding the cutover and its impact is absolutely essential. This cannot be overstated. It can mean the difference between the provider community perceiving the transition to be a success or failure. Providers must be informed constantly and by numerous methods about the cutover and how their payments will be affected.

Cutover information should be part of any provider workshop/seminar and should be included in any provider bulletins or notices. The MAC and legacy contractor should have specific links on their websites to implementation and cutover information. Listservs can be utilized to provide updated information, as can ARU recordings and telephone hot lines for implementation status. A special mailing on optic-colored paper several weeks prior to cutover may be also be helpful in reminding providers/submitters about the upcoming cutover and change of Medicare contractor. At a minimum, the following cutover information should be provided:

- Cutoff date for the submission of EMC and paper claims, redetermination requests, cost reports/appeals, audits, quarterly PIP data, etc., to the outgoing contractor;
- Last day the outgoing contractor will make bill/claim payment;
- Release and reinstatement of the payment floor (if applicable) and what effect it will have on claims payment;
- Last date the outgoing contractor will have telephone and customer service for providers;
- The date the last outgoing contractor bank file is sent to the bank;
- The number of “dark days” and their effect on provider customer service;
- The first day the MAC will accept EMC claims;
- The first day the MAC will accept paper claims and the new address to be used;

- The date when the MAC will begin the bill/claim payment cycle and when the first payments (EFTs and checks) will be produced based on the last outgoing contractor bank file; and
- The date when the MAC will begin customer service for providers.

Chapter 10: POST-CUTOVER

10.1 General

Post-cutover is the period of time after cutover that CMS closely monitors the MAC's operations and performance to ensure that the implementation and cutover have not affected operations or performance. CMS will monitor workload and operational processes, and will track any open issues or reported problems associated with the implementation. The post-cutover period is normally three months, but it may vary in length depending on how well the MAC has incorporated the segment workload into its operations.

10.2 First Day of Segment Operations

The MAC may find it beneficial to have a number of experienced managers and/or clerical staff to walk the floors to help staff during the first day of normal operations. These knowledgeable employees can answer questions, assist staff in navigating new screens, and help with system security protocols and sign-on procedures. They can also guide staff who are new to the facility and need to familiarize themselves with locations, supplies, and other work materials. In addition, they may provide assistance with new equipment or software, and can help identify potential problem areas and operational issues. A CMS representative may be on site at the MAC location to check the status of cutover tasks and to monitor operations.

The MAC must continuously monitor all aspects of its operation and production during the first day. The phone system should be re-checked to be certain that numbers are in place and that communication equipment is functioning properly. Call volume and the nature of calls will also be assessed. Mailroom operations will be monitored to verify that mail is being received and that equipment such as OCR/ICR is functioning. The MAC should also check that forms are correctly formatted and that there are no problems with local printing. The ARU/IVR should be monitored to make sure that scripts have been changed and the device is communicating properly. It is possible that the MAC will also be receiving shipments of files and/or equipment during the first day of operation, which will necessitate storing or unpacking and verifying contents.

10.3 Post-Cutover Monitoring

During the weeks after cutover, the MAC will be closely monitoring all aspects of the segment operation. Production cycles, inventories, call volumes, denials, suspense, rejects, and other workload indicators should be monitored to determine if there are any implementation-related production problems. The MAC should analyze workload by the various areas and points within the system, and take corrective action on problems that are causing excessive errors, rejects, or suspensions. The MAC will also track post-

cutover performance goals to determine if any triggers have been reached and implement the appropriate contingency plans detailed in its risk response plan.

A key activity during the first week will be to check financial output from the first post-cutover payment cycles. A sampling of checks should be performed to verify proper payment and printing. The timely mailing of checks released from the floor should be monitored, as should the transfer of electronic funds (EFT) to the appropriate banks. Other printing, such as Remittance Advices and Medicare Summary Notices, will need to be checked also. In addition, the MAC may also perform quality assurance on work flow processes and procedure adherence. Report flow and accuracy may also be examined.

During the week, the MAC will assess whether any remedial training for staff is necessary and will structure educational needs based on its findings. Also, if there was any outgoing contractor asset that was acquired, the MAC should ensure that any financial agreement with the outgoing contractor is finalized and the value of the asset entered onto the MAC's depreciation schedule.

Daily cutover teleconferences with all participants will continue for at least the first week. CMS will then make a determination if the daily calls will continue, or if a weekly meeting will be sufficient. There will normally be a few open issues that were not resolved prior to cutover that will need to be tracked. In addition, new issues may be found. Open issues must continue to be worked by the responsible parties until they are satisfactorily resolved. The MAC is responsible for continuing to track open issues during the post-cutover period and should provide an updated issues log to the transition participants. After the issues log has been completed, if any problem arises which is thought to be transition-related, it should be promptly relayed to the CMS Implementation Lead, who will determine if the issue warrants a resumption of daily/weekly teleconferences.

10.4 Workload Reporting

After cutover, CMS needs to ensure there is no degradation of service to the provider/beneficiary communities. Therefore, the MAC must provide a daily workload report for at least two weeks after each segment cutover. At the end of two weeks, the frequency of the reporting will be assessed by CMS and a decision will be made either to continue daily reporting or begin weekly reporting. Weekly workload reporting will continue for three months after cutover unless otherwise directed by CMS.

Exhibit 6, Post-Cutover Workload Report, shows a sample of the type of workload information that CMS will require. The MAC may use an existing report if it contains all of the required information. The report will provide information on claims received, claims pending, claims processed, denials, correspondence inventory, days work on hand, call volumes, call service levels, all trunks busy, and average talk time, etc. CMS may also request additional performance data to be submitted by the MAC during the post-cutover period.

10.5 Assistance with Outgoing Contractor Closeout Activities

If the outgoing contractor's staff has been hired by the MAC (or if there is a subcontracting/partnering arrangement), the outgoing contractor may request that some of its ex-employees be allowed to perform various contract closeout activities (mostly financial) that occur after the outgoing contractor has ceased operations. Usually this assistance is not that labor intensive or burdensome and incoming contractors have been willing to provide this help. However, a Memorandum of Understanding (MOU) should be developed describing the activities to be performed, the staff required, and the associated costs to be borne by the outgoing contractor for this support.

10.6 Access to Files and Records after Cutover

The outgoing contractor may have a need to access Medicare files and records after the cutover in order to meet certain audit or reporting responsibilities or to respond to litigation that may be in process. If such is the case, the outgoing contractor will need to negotiate a data sharing agreement with the MAC regarding access to the Medicare files/records that were previously in its possession. An agreement detailing the protocols and responsibilities of each party and the associated costs should be executed. CMS must approve the MOU that is developed and must approve any request by the former carrier/intermediary for access to Medicare files/records.

10.7 Lessons Learned

When implementation issues have been resolved and operations stabilized, the MAC should develop a lessons learned document. Lessons learned are generally prepared 4-6 weeks after a segment cutover. The MAC should conduct its internal review of the project with input from the workgroup heads and other key transition personnel. The lessons learned document should be structured using the standardized report format described in **Chapter 11.2.5**. It should analyze what activities were successful and why, and discuss those activities that need improvement, along with suggested remedies. In order to improve the process for future transitions, the originator of the lessons learned will need to document as much detailed information as possible, including the specific group(s) involved as well as the individual/group responsible for implementing any changes. This will help ensure that suggestions/recommendations are assigned to the appropriate area for follow-up action. The MAC will submit a copy of its lessons learned to CMS and the Medicare Implementation Support Contractor (MISC).

Other organizations that participated in the transition will also be asked to prepare lessons learned and forward them to the MAC. The MAC will then create a single lessons learned document that will be a compendium of the segment implementation activities that were successful and those that need improvement. This document will be the basis for discussion during a post-project review meeting (see **Chapter 10.8**) and used as a learning tool in future transitions. It should be distributed to all participants at least a week prior to the post-project review meeting. This will allow time for review, help expedite the meeting, and facilitate discussion.

CMS encourages all participants to be honest and forthright in their assessment of the project. Although preparation of the document is one of the last tasks on the project schedule, lessons learned should be documented throughout the project as they occur, rather than waiting until the completion of the transition.

The MISC compiles and updates a consolidated lessons learned document that provides lessons learned from all previous MAC implementations. A copy is found in **Exhibit 8**. The most recent version of the document will be provided to the incoming MAC and the outgoing contractors at the jurisdiction kickoff meeting. The document should be distributed to all workgroup heads and all parties involved in the implementation. **The consolidated lesson learned document contains a wealth of useful information for transition participants. CMS strongly suggests that the incoming MAC review this document in its entirety and incorporate applicable lessons learned into its implementation activities.**

10.8 Post-Project Review Meeting (Lessons Learned)

Approximately six weeks after a segment cutover, a post-project review meeting will be held to discuss lessons learned from the transition. The meeting will generally be held via teleconference, but it may be held in person depending on the circumstances of the transition. The MAC will have the responsibility for organizing the meeting and providing toll-free telephone lines. All key participants (MAC, carrier/intermediary, EDCs, shared system maintainers, CWF, HIGLAS, etc.) and corresponding CMS technical and contractual staff should be invited to the meeting.

The meeting should cover each major area of the transition and focus on the actions, methods, and processes used during the transition. The overall lessons learned document developed by the MAC will be the basis for meeting. Those activities that went well should be reviewed and activities that need improvement should be discussed, along with suggested remedies. During the meeting, it is important to fully understand the issues generating the lessons learned and, based on the discussions, determine who will be responsible for effectuating any agreed upon change. This will help ensure that suggestions/recommendations are assigned to the appropriate area for follow-up action.

The post-project review meeting is intended to provide insight and generate ideas for the improvement of future transitions. Discussion should be frank and honest, with no areas off limits. Feedback should focus on processes, not personalities. The participants should be able to discuss the impact of any action or problems encountered, and provide suggestions for improvement.

10.9 Implementation Project Closeout

Once all open issues have been resolved, a final issues log containing all encountered and resolved project issues shall be sent to CMS. This document will be placed on file along with the lessons learned document and used in future implementations to provide insight into potential problems and subsequent resolutions. The MAC shall insure that all project

documentation is completed and archived. In addition, the MAC may want to conduct an internal project closeout meeting with senior management.

Chapter 11: CMS MONITORING REQUIREMENTS

11.1 Meetings

The MAC will conduct or attend a variety of meetings throughout the transition period. These meetings will help ensure that all parties are informed of the progress of the implementation, are aware of the outstanding issues, and understand what actions need to be taken on their part for the successful outcome of the project.

It is possible that there will be several segment implementations taking place concurrently. Therefore, it will be necessary for the MAC to work with CMS when finalizing its meeting schedule. This is to ensure that the necessary participants can provide adequate coverage for the meetings. CMS approval is required for the final meeting schedule.

Unless otherwise noted, the MAC is responsible for conducting the following meetings during the transition. For those meetings for which it has responsibility, the MAC shall organize, host, obtain facilities, provide toll-free teleconference lines, and prepare and distribute agendas and meeting minutes.

Exhibit 7, MAC Workload Implementation Meeting and Documentation Guide, provides a useful reference in chart form of the following meeting information.

11.1.1 Post-Award Orientation Conference

The MAC Contracting Officer (CO) will normally conduct a post-award orientation conference within the first weeks of notification of contract award. The purpose of the meeting is to ensure a clear understanding of all contractual provisions and requirements. The CO may also want to discuss any schedule changes or modifications that would be necessary based on events that have transpired since the MAC's final proposal submission. Meeting logistics, agenda, and any documentation are the responsibility of the CO. The conference may be a separate meeting or held as part of the MAC pre-meeting during the jurisdiction kickoff. See **Chapter 3.5.5**.

11.1.2 MAC Pre-Meeting

A pre-meeting will be conducted by CMS with the MAC prior to the jurisdiction kickoff meeting described in **Chapter 11.1.3** below. The MAC pre-meeting will discuss topics that pertain exclusively or primarily to the MAC such as project expectations, administrative requirements, the agenda and information to be presented at the jurisdiction kickoff meeting, and any issues that have arisen since contract award. CMS will conduct the meeting and prepare the agenda with input from the MAC; however, the MAC will be responsible for the meeting arrangements as part of the overall jurisdiction

kickoff. The CO's post-award orientation conference may be held as part of the pre-meeting. See **Chapter 3.5.1**.

11.1.3 Jurisdiction Kickoff Meeting

The jurisdiction kickoff meeting is a one-time meeting, hosted by the MAC, that brings together all of the participants in the transition. It provides the opportunity to meet face-to-face to discuss the overall approach and organization of the project. Participants will provide an overview of their companies and introduce their project teams. The schedule will be reviewed, roles and responsibilities defined, and any concerns or issues addressed. The number and function of the transition workgroups will also be discussed and agreed upon. The MAC has the responsibility to set up and host the meeting, and will work with CMS to develop the agenda. The kickoff meeting is normally held within 30 days of contract award. See **Chapter 3.5.3**.

11.1.4 Segment Kickoff Meeting

The segment kickoff meeting represents the formal start of the process of moving a carrier or intermediary's workload to the MAC. It is similar to the jurisdictional kickoff meeting in concept, but is focused on the activities surrounding an individual segment transition. There will be a segment kickoff meeting for each segment transition within the jurisdiction. The first segment kickoff meeting should take place within **30 days** of contract award or the effective date of the contract and may be held in conjunction with the jurisdiction kickoff meeting. The subsequent segment kickoff meeting should take place **10-15 days** prior to the scheduled start date of the segment implementation. The incoming MAC will host the meeting and be responsible for the logistics of the meeting. CMS will work with the MAC to develop an agenda. See **Chapter 3.5.4**.

11.1.5 Project Status Meeting

The project status meeting is a weekly meeting to obtain an update on the progress of the transition. It is intended for all parties involved in the project: the MAC project manager and workgroup leads, CMS, MISC, carrier/intermediary project manager and closeout team, EDC(s), shared system maintainer, PSC, QIC, etc. The parties will review the major tasks of the MAC's JIPP/SIPP and receive updates from each of the workgroups. Participants will go through the deliverables and issues logs and review workgroup items. The meeting will discuss issues that have arisen and determine appropriate action if there are delays in task completion, deliverables, or action items. The carrier/intermediary's related closeout activities will also be reviewed, along with the relevant activities of the other parties involved in the transition. The Implementation Project Status Report (see **Chapter 11.2.5** below) will be used as the basis for conducting the meeting. The status meetings are generally held by conference call, although meetings could be held in person if warranted. The MAC should prepare an agenda at least one day prior to the meeting and distribute meeting documentation (list of attendees, minutes, action items, etc.) within three days after the meeting.

It is possible that the MAC's implementation project may be organized or managed in a manner that would make individual segment meetings more beneficial than a single overall project meeting. If such is the case, the MAC should discuss with CMS the possibility of having separate project status meetings for each segment.

11.1.6 Transition Workgroup Meeting

The transition workgroup heads will be responsible for conducting weekly workgroup meetings. Workgroups may be established for individual segments, multiple segments, or for the entire jurisdiction. The meetings will be used to review the transition activities applicable to its function, track deliverables, and monitor action item resolution. If a MAC has several segment implementations running simultaneously, it may be beneficial to combine workgroups to reduce the number of meetings being held. Problems or issues should be raised to the appropriate project lead. Workgroup meetings are normally teleconferences, although depending on circumstances, some may be held in person, especially in the beginning of the project or near cutover. Also see **Chapter 3.6**.

11.1.7 Go/No-Go Call

CMS may hold a "go/no-go" teleconference with the transition participants approximately **7-14 days** prior to the cutover. The purpose of the meeting is to ensure that all participants in the transition are in agreement that there are no outstanding issues that would prevent the initiation of the final cutover activities. If there is a call, the CMS Implementation Lead will coordinate with the incoming MAC regarding the date and time. All parties directly involved in the cutover activities should be in attendance. See **Chapter 9.5**.

11.1.8 Cutover Meeting

Beginning approximately two weeks before each segment cutover, a daily cutover teleconference will be held. The meeting will review the cutover plan and activities scheduled for that day and resolve outstanding issues. Additional daily meetings may be added during the days surrounding the actual cutover. Meetings should continue to be held after cutover until all outstanding issues are resolved. See **Chapter 9.4**.

11.1.9 Post-Project Review Meeting (Lessons Learned)

After each segment transition, the MAC will conduct a post-project review meeting. This meeting will be via teleconference unless CMS believes that it should be a face-to-face meeting. All key participants (MAC, carrier, intermediary, EDCs, shared system maintainers, CWF, HIGLAS, etc.) and corresponding CMS technical and contractual staff should be invited to the meeting. The purpose of the meeting is to review those activities that were successful during the segment transition and those that need improvement, along with suggested remedies. In order to improve the process for future transitions, the originator of the lessons learned will need to document as much detailed information as possible, including the specific group(s) involved as well as the individual/group responsible for implementing any changes. This will help ensure that

suggestions/recommendations are assigned to the appropriate area for follow-up action. Attendees will review the lessons learned documents that were prepared by the parties involved in the transition (see **Chapter 11.2.19** below). The meeting will take place approximately six weeks after the segment cutover. The MAC will have the responsibility to organize the meeting and provide teleconference access. Also see **Chapter 10.8**.

11.2 Documentation

CMS will closely monitor the MAC and the outgoing carriers and intermediaries during the transition to ensure that the transition occurs on schedule and that all Medicare data, files, and operations have been properly transferred. In addition to a number of documents described in other chapters, CMS requires that the MAC submit the following implementation documents. For convenience, CMS has prepared a comprehensive guide to all of the documentation required during an implementation. The **MAC Workload Implementation Meeting and Documentation Guide** is found in **Exhibit 7**.

The following documentation is for the implementation period only. The listing contains applicable contract deliverables as defined in the Statement of Work (Section C) or in Section F of the MAC contract schedule, as well as other documentation required for the oversight of the implementation.

11.2.1 Jurisdiction Implementation Project Plan

The Jurisdiction Implementation Project Plan (JIPP) provides an overall description of the major tasks and subtasks required to transfer Medicare data and operations from all of the carriers and intermediaries within the jurisdiction. The JIPP will include jurisdiction-wide implementation tasks as well as tasks specific to the individual segments. A draft JIPP will be submitted as prescribed in the RFP or by CMS. Changes that occur after the MAC has submitted its draft JIPP and changes that are necessitated as the result of the MAC's contractor assessment/due diligence will need to be incorporated into the JIPP. A baseline JIPP shall be submitted within **30 days** of the jurisdiction kickoff meeting. This document must be approved by CMS and will be the basis for monitoring the MAC's implementation. The JIPP is a dynamic document and will be modified as events occur during the transition. The MAC must ensure that CMS is notified of any changes made to the JIPP. See **Chapter 4.3.1 and 4.3.3**.

11.2.2 Jurisdiction Implementation Project Plan Update

The JIPP will be updated on a weekly basis. The update will be included with the Jurisdiction Implementation Project Status Report (**Chapter 11.2.5** below) and submitted at least two days prior to the project status meeting. The updated plan should be accompanied by a list of tasks that were completed during the reporting period and a list of tasks that are not on schedule—either they have not started or have not been completed in accordance with the dates shown on the JIPP. When submitting an updated JIPP, many contractors highlight in red those tasks that are not on schedule. The update should

also show any tasks that have been added to the plan and any that have been deleted, along with the reason.

11.2.3 Segment Implementation Project Plan

The Segment Implementation Project Plan (SIPP) provides a detailed list of the major tasks and subtasks specific to the movement of an outgoing carrier/intermediary's workload to the MAC. It should be developed in accordance with the instructions in **Chapter 4.3.2** and must be synchronized with the JIPP. A draft plan should be available at the first segment kickoff which is normally held during jurisdiction kickoff or shortly thereafter. For subsequent segments, a draft SIPP should be submitted to all attendees at least **one week** before the segment kickoff meeting. This will allow attendees time to review the plan and present comments at the meeting.

After the kickoff meeting, the MAC will have **30 days** to refine the draft SIPP and establish a baseline document that CMS will use for monitoring. CMS must approve the baseline plan. The SIPP will not be a static document. Tasks will be added or deleted and dates will be revised based on changes that occur during the implementation period. CMS must be aware of any changes to the tasks shown in the plan and the changes must be reflected in the weekly SIPP update.

11.2.4 Segment Implementation Project Plan Update

The SIPP will be updated on a weekly basis. The update will be sent with the Implementation Project Status Report and submitted at least **2 days** prior to the scheduled project status meeting. If it is determined that there will be separate segment status reports and/or meetings, the update will be submitted accordingly. There should be a list of tasks completed during the reporting period, as well as a list of tasks that are not on schedule. The updated plan should highlight the completed tasks and those that are behind schedule. The update should also show new tasks that have been added to the plan and tasks that have been deleted, along with an explanation for the action.

11.2.5 Implementation Project Status Report

This report is prepared weekly and provides all participants in the transition with a narrative update on the incoming MAC's implementation activities. The report shall be written using the CMS standardized transition report format discussed below. The report will include all implementation activity for the jurisdiction transition. However, it is possible that the MAC's implementation project may be organized or managed in such a manner that would make separate segment project status reports more beneficial than a single overall project status report. If such is the case, the CMS Implementation Lead may request the MAC to submit a Segment Project Status Report for each segment. Segment status reports will use the same format as the Implementation Project Status Report but will only provide information for a specific segment.

To facilitate the oversight of workload transitions, CMS has standardized the reporting of MAC implementation and carrier/intermediary closeout activities. While a MAC's

JIPP/SIPP format is structured in accordance with how it will conduct the tasks necessary for establishing its Medicare operations and transferring the outgoing contractors' workloads, information in the Implementation Project Status Report **must** be reported using CMS's standardized transition report format. Text may be displayed in bullet or narrative format. The following are the seven major reporting elements for a workload implementation:

- **Project Management**

This element includes organizing project staff and workgroups, preparing the various plans required by CMS, conducting meetings, monitoring and reporting progress, issue/problem resolution, managing costs, and managing risk.

- **Communications**

Activities include communicating with providers, beneficiaries, medical/specialty groups, trading partners, and all other participants and stakeholders in the project.

- **Claims Processing/Operations**

This element involves activities associated with preparing/maintaining the **business environment**. Tasks include preparing operational activities, due diligence, asset inventory, and interaction with other organizations involved in the transition.

- **Systems/EDI**

This area involves establishing/maintaining the **technical environment**, including EDI activities and early boarding information, voice and data telecommunications, base/non-base applications and services, local hardware/software, and interaction with the EDC.

- **Resources/Infrastructure**

Activities include personnel activities, training, and the preparation of facilities and associated infrastructure.

- **Financial**

This element includes banking arrangements, accounts receivable review, CMS-588 activities and EFT data, and cost reporting.

- **Cutover/Workload Transfer**

This area includes file preparation, storage, and the activities associated with the actual cutover of Medicare operations and transfer of files.

Within each work element the following should be reported as applicable:

- Accomplishments;
- Deliverable status. This may be summarized in Project Management or listed for each element. Status should include deliverables requested, received, added, removed, past due, etc.;
- Issues/action items. An issues log should be maintained but the actual issues should be discussed within the appropriate section;
- Tasks overdue or not started as scheduled. This can be either a narrative list within the appropriate section, an extract of the JIPP/SIPP (late task report), or the tasks in the JIPP/SIPP can be highlighted in red or some other unique color. The MAC must discuss the reason for any tasks that are delayed, the impact to the project, and the steps that are being taken to correct the situation. The update should also show any tasks that have been added or deleted, along with a reason;
- Problem resolution/risk mitigation/contingencies;
- Upcoming activities; and
- Additional comments.

The status report is due two days prior to the weekly project status meeting (see **Chapter 11.1.5** above) and is distributed to CMS and all organizations participating in the transition. It will also be the basis of discussion for the status meeting.

11.2.6 Workgroup Meeting Minutes

Workgroup meeting minutes should provide a concise summary of each workgroup's weekly meeting. The document should provide the status of the specific implementation tasks for which the team is responsible and list accomplishments. It should discuss action items, the status of requested deliverables, and issues/problems that have arisen. The minutes should also list tasks overdue and any claims processing workload issues that are within the workgroup's purview. Minutes should be distributed within 2 days of the meeting to all members of the workgroup, other segment workgroup heads, the MAC jurisdiction and segment project managers, and CMS.

11.2.7 Issues Log/Action Items

Throughout the implementation, each segment workgroup will prepare an issues log/action items list to assist with its transition activities. The MAC should prepare a "master" issues log/action items document that will be a compilation of all of the various segment workgroups' issues/action items, plus any additional issues/action items that have been identified through other sources. The list should provide an identification number, the date created, a description of the issue/action required, the responsible party, an update of the status, the date of resolution, a full description of the resolution, and any pertinent comments. Some project managers have found it helpful to move a completed item from the ongoing list to a separate "closed" listing once an issue has been resolved or an action taken. The master document should be reviewed weekly and updated as required. It should be submitted with the weekly project status report.

11.2.8 Segment Test Plan

The MAC will discuss testing activities in its proposal, which should include a description of its general approach to testing, types of tests, and overall schedule. The MAC will develop a segment test plan for each segment implementation. The segment test plan will be a specific and detailed description of the scope, the roles and responsibilities of the various entities involved, the types of tests, resources, schedules and risks. The plan should be submitted to CMS within **30 days** after the segment kickoff meeting. See **Chapter 8.2**.

11.2.9 Segment Test Plan Update

The segment test plan will be updated on a weekly basis. The update will show the status of the various tests and percentages completed. There should be a discussion of any activity that is behind schedule and what is being done to correct the situation. The update should also discuss if the delay will have an impact on the implementation schedule or cutover. The update should be submitted as part of the Implementation Project Status Report.

11.2.10 Segment Communication Plan

The MAC will detail overall communication activities and tasks in its Jurisdiction Implementation Project Plan and will submit a detailed draft segment communication plan as directed by the Implementation Lead or Contracting Officer's Representative. The communication plan should identify the various stakeholders, the type of communication, frequency, proposed dates, etc. After each segment kickoff meeting the MAC will obtain additional information from the outgoing contractor and prepare a detailed baseline communication plan specific to that segment. The plan should be submitted within **30 days** of the segment kickoff meeting and is the document that CMS will use to track the MAC's communication activities. See **Chapter 12.2**.

11.2.11 Segment Communication Plan Update

The segment communication plan will be updated weekly. The update will show completed tasks and those that are behind schedule. There should be an explanation as to why the task has been delayed and what is being done to correct the situation. The update should also discuss if the delay will have an impact on the implementation or create a problem with the affected stakeholder's perception of the success of the transition. The update should be submitted with the Implementation Project Status Report.

11.2.12 Risk Management Plan

The MAC will submit a risk management plan as part of its proposal or as directed by the COR. The plan should identify potential risks, their causes, the probability of occurrence, the impact on the transition, mitigation strategies, and possible contingency plans. Based on information obtained from the outgoing carrier/intermediary and the incoming MAC's assessment/due diligence, the plan should be finalized within **30 days** after contract award/effective date of contract. This baseline plan should be submitted to CMS for review and will be used to monitor the incoming MAC's risk management

activities. As each segment implementation begins, any segment-specific risks that are determined must be incorporated into the risk management plan within **30 days** of the segment kickoff meeting. Also see **Chapter 14.2.4**.

11.2.13 Risk Management Plan Update

The risk management plan should be assessed at least on a biweekly basis and updated as appropriate. Any changes to the plan should be noted along with an explanation of the change. An updated risk management plan should be submitted on a monthly basis with the Implementation Project Status Report. See **Chapter 14.2.5**.

11.2.14 EFT/EDI Progress Report

The MAC is required to monitor the percentage of completed **CMS-588 Authorization Agreement for Electronic Funds Transfer** forms throughout the implementation. The MAC will complete an EFT/EDI Progress Report on a weekly basis which should be submitted with the Implementation Project Status Report. The report will show EFT information such as the number of providers, the total number of forms returned, total verified, forms with missing information, percentages, etc. See **Chapter 9.7** and **Chapter 5.9**.

The EFT/EDI Progress Report should also provide CMS with the status of provider and trading partner EDI activities. This includes numbers and percentages of provider documentation received and testing information such as test/production set up and completion. For a Part A segment, the report should show any DDE provider information such as registrations received, security forms returned, and testing status. Note that when the cutover period begins, the MAC must submit the EFT/EDI Progress Report on a daily basis. See **Chapter 9.7** and **Chapter 5.8**.

11.2.15 Employment Report

During the implementation, the MAC will be required to submit a weekly employment report which will show the hiring activities for the segment. The report should be broken out by operational areas and show the current head counts for the various functional areas of the incoming MAC's Medicare organization, the total anticipated staff to be hired for that area, and the number of employees hired in those areas for the reporting period. If applicable, there should also be a notation on the report indicating those employees that were hired from the outgoing contractor. See **Chapter 5.1.3**.

11.2.16 Segment Cutover Plan

A cutover plan will be developed for each segment cutover in the jurisdiction. The plan will be a very detailed day-by-day plan of cutover activities to be performed by the MAC and the outgoing contractor, as well as other participants in the transition (see **Chapter 9.2**). It will provide a checklist of systems and operational tasks, sometimes to the hourly level, for cutover personnel to follow. The plan should be submitted to CMS for review at least 45 days prior to the segment cutover date. It should be updated and distributed on a daily basis during the

cutover period and used as the basis for the daily cutover meetings. See **Chapter 11.1.8** above.

11.2.17 File Transfer Plan

After the outgoing carrier/intermediary has prepared its draft file inventory, the carrier/intermediary and MAC must jointly develop a file transfer plan. The plan should describe the files and records to be transferred by type, method of data transfer, transfer protocols, and destinations. A schedule for the transfer of the workload with shipping dates and times must be provided. It should also provide a description of the method of manifesting, packaging, and labeling all claims and correspondence. The draft file transfer plan must be provided to CMS no later than **30 days** prior to cutover. It will be finalized when the outgoing contractor prepares its final file inventory during the cutover period. See **Chapter 6.9**, **Chapter 9.10.2** and **Exhibit 11, File and Record Transfer Plan Contents**.

11.2.18 Segment Post-Cutover Workload Reports

After each segment cutover, CMS needs to ensure there is no degradation of performance to the provider/beneficiary community. Therefore, the MAC must provide a daily workload report for at least two weeks after segment cutover. At the end of two weeks, the frequency of reporting will be assessed by CMS and a decision will be made to continue daily reporting or to begin weekly reporting. Daily/weekly reporting will continue for three months after the segment cutover unless otherwise directed by CMS. The MAC should work with the CMS Implementation Lead to determine the workload data to be submitted. A sample post-cutover workload report is shown in **Exhibit 6**.

11.2.19 Lessons Learned

After each segment cutover, the MAC will prepare a lessons learned document regarding its activities during the implementation. The document should be structured using the standardized report format as discussed in **Chapter 11.2.5**. The lessons learned should analyze what activities were successful and why, and discuss those activities that need improvement. The document should be submitted to CMS **4-6 weeks** after cutover. The MAC will also receive lessons learned from other participants in the transition and will compile all lessons learned into a single document that will be used as the basis for discussion during the post-project review meeting. See **Chapter 10.7**.

Chapter 12: COMMUNICATIONS

12.1 General

In addition to the requirements for providing information to CMS, it is imperative that the MAC provide extensive and continuous communication with all stakeholders during its jurisdiction implementation. To put it simply, communication with stakeholders should occur “early and often.” Communication regarding the transition should begin immediately after award and should continue into the operational period until all implementation related issues are resolved. The dissemination of information should be coordinated with CMS, which will review newsletters, bulletins, notification language, etc. The MAC will need to determine the most effective communication methods and schedule for providing information throughout its jurisdiction, since some of segment implementations may not begin immediately after contract award.

The outgoing carrier/intermediary will be an integral part of a number of the MAC’s communication activities and must be consulted when the MAC refines its communication strategy after contract award. The outgoing contractor will provide information regarding the transition to its beneficiaries and providers throughout the transition period and will include the MAC when conducting its ongoing beneficiary and provider meetings. Both contractors should work together to develop newsletter articles, ARU/IVR scripts, and language for the carrier/intermediary’s Remittance Advices and MSNs.

12.2 Communication Plan

The MAC will describe its overall jurisdictional communication activities in the Jurisdiction Implementation Project Plan and submit a draft communication plan as directed by the Contracting Officer’s Representative. The MAC is responsible for developing a detailed baseline plan as it obtains additional information during the implementation. The plan will discuss the processes and procedures that the MAC will follow to ensure that all stakeholders are informed of the status of the implementation and its impact upon them.

After each segment kickoff meeting, the MAC must develop a specific communication plan for that segment. The plan may be in chart, table, or WBS project plan format. It is critical that the MAC work with the carrier/intermediary and other involved parties when developing its segment communication plan. The outgoing contractor will be of great assistance to the MAC and will have detailed practical information for communicating with the various provider groups, associations, government officials, and other stakeholders within the segment. The carrier/intermediary should also provide the subscriber list for any Medicare listservs that it maintains.

The segment communication plan should be submitted to CMS within 30 days of the segment kickoff meeting. It should be updated on a weekly basis and submitted with the Implementation Project Status Report.

The segment communication plan should identify the following:

- various stakeholders in the transition;
- type of communication activity;
- purpose;
- frequency;
- impact of transition on stakeholder;
- proposed dates/actual dates;
- medium utilized (mailings, meetings, website, etc.);
- responsible party for performing activity; and
- contact person for MAC and stakeholder.

12.3 Public Announcement

The MAC may want to provide a public announcement immediately upon notification of contract award. Generally, a press release would be sent to the major newspapers within each segment and to radio and/or television stations. For segments that are several months away from beginning implementation activities, the MAC may want to issue a short general press release and follow up with a more detailed one when implementation of each segment begins. CMS will provide input and review the content prior to any release.

12.4 Congressional Contact

Given the high visibility of a Medicare workload transition, the incoming MAC must establish a relationship with each segment's Congressional delegation and continue that relationship throughout the transition. The MAC must be sensitive to the interests of Congressional delegations. Members of Congress need to understand the impact of the MAC's contract award, especially on the outgoing contractor's staff, and they need to be aware of implementation plans and activities.

The MAC should contact Congressional staff at local offices in each segment as soon as possible after contract award. For segment implementations that will not start for several months after contract award, the MAC may find it helpful to meet again shortly before the start of the segment implementation. The MAC may also find it beneficial to conduct a "meet and greet" session with Senators and Representatives at their Washington, D.C. offices.

Regular updates to the progress of the implementation should be provided to members of Congress. The MAC must also discuss any policy or procedure changes that will impact the provider community because of the change in Medicare contractors. Congressional "Ask the Contractor" teleconferences have proved to be effective in keeping

congressional staff informed of the progress and issues involved in the MAC's implementation.

12.5 State and Local Contact

The MAC should also hold introductory meetings with the state officials of each state within its jurisdiction. Also, major city and county officials should be contacted, especially those in the vicinity of any office or operational site. State officials will need to know the impact of the MAC's new contract from an economic standpoint and will be extremely sensitive to any change in operations or employment. The various state insurance commissioners must also be notified of the change. In addition, notification should be sent to the appropriate State Departments of Health, the Medicaid State Agencies, and any state/county organizations involved with the aging.

12.6 Provider Communication

Provider communication is the one of the most important activities during a transition. Providers are the most affected by implementation activities and they have a large financial stake in the project. As such, the MAC must ensure that it makes every effort to inform and properly educate providers about its implementation and any impact that it may have on them. As previously indicated, the term "provider" is used in the broad sense of the word, meaning anyone providing a Medicare service; i.e., institutional providers (hospitals, skilled nursing facilities, rural health clinics, federally qualified health centers, home health agencies), physicians, non-physician practitioners, and suppliers.

12.6.1 Professional Organization Contact

It is important for the MAC to establish a relationship with the major professional and provider organizations in each of the segment areas. This will include organizations such as hospital associations, medical societies, and specialty groups. The MAC will work with the outgoing contractor to obtain information and contacts for provider groups within the states it serves. The outgoing contractor should discuss its working relationship with these groups and provide the MAC with contact points. Each provider organization should be contacted as soon as possible after contract award. Personal contact, especially with the major associations and specialty groups, has proved to be beneficial in past transitions. Letters and phone calls may also be used, especially for follow-up communication.

The MAC should try to take advantage of any public relations opportunities that may present themselves by offering to attend regularly scheduled meetings held by the professional groups. The MAC should ask to be placed on the agenda in order to introduce itself, provide information on the impact of the transition, give the status of the implementation, and discuss any issues that have arisen. A request may also be made to place an article or announcement about the transition in the organization's professional journal or newsletter. In addition, the MAC could offer to make speakers available. The

MAC should attend regularly scheduled provider meetings with the outgoing contractor, as well as Provider Advisory Group (PAG) and/or Provider Communication Advisory Group (PCOM) meetings.

The MAC should provide monthly status bulletins/newsletters to the major provider associations detailing the status of the transition and policy issues that may affect providers. The MAC should obtain provider input on subject areas to be discussed at workshop/seminar/training sessions. The outgoing contractor can prove helpful in planning provider sessions and it may be able to offer suggestions on the best location and facilities for those meetings.

12.6.2 Provider Contact

For each segment, the MAC must work closely with the outgoing contractor when developing a communication strategy for providers. A complete list of providers must be obtained. The list should include such information as name, address, contact person, email address, Employee Identification Number (EIN), and EMC information. An introductory letter to providers should be sent by the MAC as soon as possible after contract award. The MAC should provide information about the upcoming transition, the implementation schedule, and a contact person with telephone number. The MAC may wish to personally contact the largest billing providers/submitters or network service vendors in each segment. In addition, the MAC may establish a special transition provider hotline.

The MAC should work with the outgoing contractor to develop articles regarding the transition for the outgoing contractor's provider bulletins and other publications. Beginning two months prior to cutover, the MAC should develop language for the outgoing contractor's Remittance Advices that will remind providers of the upcoming change in Medicare claims processors and the associated cutover activities. The MAC should also be a part of any Provider Advisory Group that is currently in place. If a provider advisory group is not in place, the MAC may want to form one with key members of major professional and provider organizations, and conduct biweekly meetings to help facilitate communication among the provider community.

The MAC will also disseminate information on its own to providers. Monthly updates and reminders may be issued covering information such as the cutover schedule, upcoming provider workshops, and new post office boxes for claims submission. About a month prior to cutover, the MAC should send a special cutover reminder notice to all providers reminding them about payment procedures, dark days, and other changes. Some contractors have found it helpful to use colored or optic paper to insure that providers/submitters take notice of the information.

12.6.3 Provider Workshops/Seminars/Teleconferences

Provider workshops, seminars, and/or Ask the Contractor teleconferences may be held to supplement the information being disseminated by the incoming MAC. These activities

can provide a more detailed and informative discussion of how changes will affect the billing process, and enable the MAC to introduce its provider relations representative to the provider community. The MAC will also be able to assess areas of provider concern and answer questions directly. The workshops, seminars, and/or teleconferences can serve two different audiences: provider managers/executives and provider office and claims billing personnel.

Sessions will review the schedule of transition events and the changes that providers can expect when the MAC assumes the segment workload. Topics will include EMC and front-end changes, claims submission and address changes, interaction with the functional contractors, CMS-588 forms, and dark days. Edits/LCDs and the possibility of increased suspension/rejection of claims may also be discussed. The MAC may also use the meetings to distribute informational materials.

The number and content of the sessions will vary depending on the implementation activity that will take place and the size of the workload segment that the MAC will assume. The location of any workshops or seminars should take into consideration major providers and population areas. The outgoing contractor will have a representative present at sessions that are held, and can provide input to the incoming MAC's workshop/seminar/teleconference schedule, content of the presentation, and proposed meeting locations. Workshops/seminars/teleconferences are normally scheduled six to eight weeks before cutover, with additional meetings scheduled if necessary.

12.7 Beneficiary Communication

While 1-800-MEDICARE and Beneficiary Contact Centers lessen the need for beneficiary contact with carriers and intermediaries, the MAC still must make efforts to inform the beneficiary community of the transition. This may be accomplished in a number of different ways:

- newspaper advertisements and public service announcements on radio and television;
- beneficiary associations and groups such as AARP;
- state and local government agencies dealing with the aged;
- Social Security Administration district offices;
- senior citizen centers;
- health fairs; and
- community centers/libraries/retirement centers.

A beneficiary information bulletin with the MAC's name, address, telephone number, new post office boxes for claims submission, and effective date of the change of contractors should be distributed when contacting the above. Any change to a beneficiary walk-in office or availability should be highlighted.

The outgoing contractor can help the MAC disseminate transition information. The MAC should attend regularly scheduled beneficiary outreach and beneficiary advisory/

advocacy group meetings with the outgoing contractor. The carrier/intermediary can help the MAC assess demographic and language needs, and help the MAC develop language for mail stuffers or MSN messages. Distribution of these messages would begin approximately two months prior to cutover. Transition information would also be provided on ARU/IVR scripts and on the websites of the MAC and outgoing contractor.

12.8 Social Security Administration

The MAC should prepare a notice about the change of Medicare contractors and distribute it to the Social Security Administration (SSA) district offices within its jurisdiction. The MAC should ensure that informational signs and notices of the change are available at SSA offices. The notice should provide information such as the name, address, and telephone number of the MAC, and the effective date of the change. Also, SSA should be aware of the status of any existing walk-in office.

12.9 Transition Partners

Communication with the major participants in the implementation (outgoing contractor, EDC, shared system maintainer, HIGLAS, PSC, QIC) will be thorough and continuous. Protocols for communication are discussed in **Chapter 7, Interaction with other Organizations**, and **Chapter 11, CMS Monitoring Requirements**. Other organizations that interface or have an interest in the transition (trading partners/crossovers, QIOs, COBC, other Medicare contractors, etc.) will need to be contacted to discuss expectations, implementation issues, interface protocols, case review, and workflow. The MAC should regularly provide these organizations with updates to the progress of the implementation, any schedule changes, and any issues that need to be addressed, especially regarding cutover.

12.10 Internal Communications

It is important that the MAC keep its employees informed about the progress of its segment implementations. This can be accomplished through regularly scheduled staff meetings and employee bulletins or newsletters. It is also important to provide implementation information to the outgoing contractor's staff if they will be employed by the MAC after cutover.

12.11 Website

As part of its communication efforts, the MAC should establish a transition website or add a transition area to its existing site. The site should be registered with internet search engines and appropriate transition information prepared. CMS website design and content requirements must be adhered to. The site should be tested and placed into production as soon as possible and updated regularly.

The website will provide current information on the incoming MAC and give status updates on the implementation. It may also provide FAQs, display links to other

Medicare informational sites, and discuss any changes that will occur at cutover. If both parties agree, the MAC can also utilize the outgoing contractor's website to provide transition information and links to the MAC's website. Website features that have proven effective include early boarding information and state specific entry points with separate Part A and Part B designations. For quick electronic updates, the MAC may also establish an e-mail mailbox link for electronic inquiries and/or transition listserv subscriptions.

12.12 Listserv

The MACs are required to maintain an electronic mailing list, or listserv, to notify registrants via e-mail of important, time-sensitive Medicare program information, upcoming supplier/provider communications events, and other announcements necessitating immediate attention. The incoming MAC should make use of a listserv to provide updated and critical information to providers and other stakeholders regarding implementation activities and project schedule dates.

Medicare claims processors are required to protect their electronic mailing list addresses from unauthorized access or inappropriate usage. Generally, listservs should not be shared, sold, or transferred to any other entity. However, the MAC can request that the outgoing contractor transfer its electronic mailing list(s) in order to facilitate rapid electronic communications with the providers/suppliers in the outgoing contractor's service area. In this situation, CMS has deemed it to be in the best interests of the Medicare program to share listserv information with the incoming MAC. The outgoing contractor will need to obtain written permission from its Contractor Manager prior to transferring the list.

12.13 ARU/IVR

The Automated Response Unit (ARU) and Interactive Voice Response (IVR) can be used to give transition information to beneficiaries and providers. Scripts may be developed to provide the status of the implementation, key dates to remember, and reminders about the payment floor and dark days. Transition information can also be made available while beneficiaries and providers are on hold for a customer service representative.

12.14 Cutover

Communication with providers regarding cutover activities is essential. Providers must be aware of cutoff dates, payment cycles, and dark days. This specialized provider communication activity is discussed in more detail in **Chapter 9.13, Cutover Communication**.

Chapter 13: FINANCIAL PROCESSES

13.1 General

The MAC is responsible for the orderly transfer of financial accounts and documents from the outgoing contractor, and the proper payment of claims for the segment workload that it is assuming. The MAC must establish a financial administration component which will be responsible for administering and monitoring Medicare program payments and reporting program expenditures using CMS reporting protocols. The MAC should discuss all financial reporting requirements early in the implementation process to allow ample time to seek clarification, and ensure that all parties clearly understand and agree to the expectations. CMS will advise the MAC of the identification numbers to be used for reporting benefit payments.

For the outgoing contractor, CMS will issue a JSM prior to cutover detailing what its expectation is regarding required financial reports and corresponding due dates. CMS will also discuss how long the outgoing carrier/intermediary will have access to the Contractor Administrative Budget and Financial Management (CAFM) System.

13.2 Banking

The MAC shall follow established CMS procedures for banking services. CMS will determine which bank providing Medicare financial services the MAC will utilize. The MAC, CMS, and the bank must enter into a tripartite agreement that describes all of the activities and responsibilities of each party (see **Chapter 7.14**).

CMS will issue a letter of credit to fund the MAC's estimated annual program benefit payments to providers and beneficiaries. This will flow through the benefits account. The letter of credit covers claims paid by the MAC that are drawn from the benefits account, either by check or electronic funds transfer (EFT). It authorizes a Federal Reserve Bank to advance funds to the bank that CMS has designated for the incoming MAC. The funds will be deposited into the MAC's account for payment of processed claims.

If the incoming MAC is a current Medicare claims processor, it will continue with its existing CMS-designated bank; however, it must coordinate with CMS to increase its current letter of credit to reflect the new workload it will be assuming. **It should be noted that if the incoming MAC will have both HIGLAS and non-HIGLAS workloads, separate lines of credit will be necessary.**

The CMS Implementation Lead will work closely with the CMS Banking Contracting Officer's Representative during the implementation to insure that the bank will

participate in the appropriate meetings and workgroups involving the transition of banking services and financial processes.

13.3 Accounts Receivable Reconciliation

13.3.1 General

Medicare accounts receivable are a significant balance on CMS's financial statements and they require the MAC's special attention. The majority of accounts receivable are comprised of overpayments made to providers, physicians, suppliers, beneficiaries, and insurers. Other receivables are incurred when Medicare paid claims as the primary payer and it is subsequently determined that Medicare should have been the secondary payer.

13.3.2 Accounts Receivable Reconciliation Process

The outgoing contractor is responsible for the reconciliation of the accounts receivable for the segment that will be transferred to the incoming MAC. After the segment implementation begins, CMS Central or Regional Office (or a contracted organization) will go on site to conduct an accounts receivable review of the outgoing contractor. The MAC should attend the review sessions to understand the process and the documentation prepared to support the reconciliation, since the MAC will assume responsibility for any accounts receivable at cutover.

Sixty days prior to the effective date of the transfer, the outgoing contractor should notify the MAC in writing of all of the outstanding accounts receivables that will be transferred. The written notification will include a transmittal document summarizing the number and value of Medicare accounts receivable being transferred and a statement of receipt to be signed by the MAC. In addition to this transmittal, the outgoing contractor will include a detailed listing showing each specific account receivable being transferred. The detailed listing must agree to the summary totals reflected on the transmittal document and will include the following data elements:

- Debtor's name, Medicare identification number (provider, physician, or supplier number) and EIN or TIN;
- Account receivable/overpayment amount being transferred that includes principal and interest;
- Account receivable types; e.g., Part A, Part B, MSP, or other;
- Type of account receivable; e.g., cost report overpayment - audit, medical review, duplicate payment, etc.;
- The current status of collection action; e.g., interim payments being offset, extended repayment schedule in effect, etc.; and,

- The cost report period or accounting period, if applicable.

The outgoing contractor should also send the permanent administrative file for each provider/debtor transferred to the MAC. This file must contain all relevant information to support the accounts receivable being transferred; e.g., identity of debtor, refund requests and documentation to clearly support each accounts receivable/overpayment determination.

The MAC will certify the receipt of the transmittal document and return the receipt to the outgoing contractor no later than 10 calendar days after the date of transfer, with a copy provided to CMS. The MAC will review and reconcile the accounts receivable transmittal document and the detailed listing with the administrative files transferred from the outgoing contractor. If the MAC identifies a discrepancy regarding specific accounts receivable, it must meet with the outgoing contractor and attempt to resolve the issue. If the discrepancy cannot be resolved, the accounts receivable must be transferred to the CMS Contracting Officer's Representative for resolution. The MAC has one year to review and accept all transferred receivables.

13.3.3 Financial Reporting

The MAC must retain copies of all documentation related to the transfer of accounts receivable. If there is a discrepancy regarding a specific accounts receivable, the incoming MAC will contact the COR for resolution. The MAC will report the value of the receivables which have been accepted on the appropriate line of the CMS financial reporting form, as well as any amounts transferred to CMS for resolution. Summary data should be included to identify the name of the outgoing contractor and the number and value of accounts receivable that were accepted as a result of transition activity. In the event that accounts receivables were transferred from multiple outgoing contractors, information should be included for each outgoing contractor. All MACs are subject to audit and may be required to provide supporting documentation for the accounts receivables values reported on CMS financial reports.

13.4 Payment Cycles

It is CMS's expectation that the MAC will make Medicare payments on a daily basis. The MAC should obtain the payment schedule of the outgoing contractor in order to determine if there will be a consistent payment cycle or if the cycle will need to be changed. This should be determined during the development of the user acceptance test (UAT) and simulation planning, in order to allow for thorough testing during production simulation. When an outgoing contractor's payment cycle is not performed on a daily basis, it is very important that the MAC and the EDC determine the approach to effectuating the change early in the implementation process. The frequency of the outgoing contractor's payments (i.e. specific days of the week) in relation to the cutover schedule must be taken into consideration, as does the day that the first MAC payment will be issued.

Special consideration needs to be given to when the outgoing contractor's last financial cycle will be run, in order to eliminate the need for the outgoing contractor to change its payment cycle prior to cutover. The MAC and outgoing contractor should pay particular attention to the cutover date and the "go-live" date when determining the last financial cycle for the carrier/intermediary. If it is determined that the outgoing contractor's last financial cycle must occur a day or two prior to the last day of the month, considerations will need to be made to avoid having the outgoing contractor provide separate financial reporting for those days. In addition, the MAC, carrier/intermediary, and EDC need to consider if any further financial activity will need to be captured within the monthly and quarterly reports for those remaining days, and how it will be accomplished. These discussions should take place during the development of the UAT and production simulation to ensure that any changes are tested prior to the execution of the cutover plan.

If HIGLAS is involved in the transition, the dates of the cycles and inputs need to be considered to ensure demand letters are dated correctly; manually correcting letters is labor intensive. Also, the incoming MAC should release Health Professional Shortage Area (HPSA) payments following the normal schedule, rather than having the outgoing contractor release the payment prior to cutover.

Providers/submitters will need to be informed repeatedly of any changes to their payment date or frequency. The MAC, in conjunction with the outgoing contractor, will formulate a communication strategy for notifying the affected providers of the change. The MAC and the outgoing contractor must also coordinate periodic interim payments (PIP) to providers when the payment cutoff date during cutover occurs within a PIP payment period.

13.5 Post-Cutover Financial Coordination

13.5.1 Outstanding Provider Payment Checks

At cutover, the outgoing contractor must provide the MAC with a final listing of outstanding checks, stale dated checks, and a voided check register. The MAC and the outgoing contractor will need to coordinate procedures for handling stop payments, voided checks, and the reissuance of old outstanding checks. The outgoing contractor's Medicare bank account will be kept open for a period of time after cutover for the payment of outstanding checks.

Prior to the determined date for the outgoing contractor's Medicare bank account to be closed, the MAC will be responsible for issuing a letter to all providers/beneficiaries with outstanding checks issued by the former contractor. The letter will inform the recipient that its outstanding check will be stale dated on the date specified and should provide instructions for requesting the reissuance of the check.

After cutover, the MAC must have the capability of receiving two bank clears files per cycle—one from the outgoing contractor's account and one from the MAC's account. The MAC, the outgoing contractor, and the EDC will need to work together to establish procedures to ensure that the MAC receives updated information for the outstanding checks that were transferred. This information can come directly from the bank or from

the outgoing contractor. The Part B MCS system has the ability to take in a “family” of clears files, but the outgoing contractor’s file will need to have a different name than that which is received from the MAC’s own bank in order for MCS to process both bank clears files in the same cycle. The Part A FISS system requires that the two files be concatenated prior to going into the same cycle.

13.5.2 Cash Receipts/Cash Refunds

The MAC, outgoing contractor, and CMS will need to reach agreement on the most appropriate solution for handling checks involving the recovery of money for payments made in error (cash receipts/refunds) that are received by the outgoing contractor after cutover. Since the outgoing contractor will no longer have responsibility for the account receivable or claim history, it must coordinate with the MAC regarding the misdirected cash receipt/refund so that the MAC can take action to reduce the account receivable or the claim history. The approach will depend on a number of factors that will need to be considered before a decision is made.

For the vast majority of transitions, the outgoing contractor will deposit funds received into its Medicare bank account and subsequently issue a check to the MAC for the misdirected cash receipts/refunds. This approach insures that checks are deposited within 24 hours of receipt, provides a clear audit trail, and allows for stronger internal control between the outgoing contractor and the MAC.

However, when the outgoing contractor will no longer have any involvement in the Medicare program; i.e., it will not be continuing as a carrier or intermediary in another state or will not be a MAC, it may be determined that the outgoing contractor will forward misdirected cash receipts/refunds to the new MAC. This approach will require strong internal controls and segregation of duties to prevent loss. It will mean that checks will not be deposited within 24 hours and may necessitate soliciting a new check from the provider/beneficiary should the MAC’s bank not accept the check without endorsement.

A different approach may be required if the outgoing contractor’s workloads are commingled or split and not easily segregated. In this situation, it may be more efficient for the outgoing contractor to handle misdirected cash receipt/refunds through its normal operations. The outgoing contractor would deposit the misdirected cash receipt refund and subsequently close the unapplied cash receipt/refund as a non-cash transfer (for those contractors using HIGLAS) or a collection deposited at another location (for those using CAFM). This procedure allows for checks to be deposited within 24 hours of receipt and provides a strong audit trail, but it is not a routine method of disposing of cash receipts/refunds and requires the most effort for the outgoing contractor, whose resources may be limited.

All misdirected cash receipts/refunds require a Collection Reconciliation Acknowledgment Form (CRAF) to be completed. The CRAF may be accompanied by a reissued check to the MAC, the original check, or it may be informational only. Regardless of how the misdirected cash receipt is transferred to the MAC (check or non-cash transfer),

a CRAF is required so that adequate controls are maintained to safeguard assets and ensure proper financial reporting.

13.6 Invoice Submission and Protocol

The MAC will determine its need for periodic payment during the implementation, but CMS expects that invoices for contract cost reimbursement will be submitted on a monthly basis. The MAC will invoice in accordance with the FAR and any requirements specified in the MAC contract. The MACs will submit invoices via the CMS Analysis Reporting and Tracking (ART) system. CMS will provide ART training for MAC personnel; however, until training has been provided the MAC will need to submit payment invoices in hard copy. Payment invoices must include supporting documentation.

The invoice and documentation shall be sent to the CMS Office of Financial Management. The MAC Contracting Officer's Representative will receive a copy; he/she will review the submittal and solicit input from the appropriate Business Function Leads. The COR will then provide his/her recommendation for payment. If there are any questions or concerns with the invoice, CMS will contact the MAC for resolution prior to payment. **Detailed documentation will facilitate the timely payment of invoices.**

13.7 Implementation Costs

After contract award, the MAC may need to refine and negotiate jurisdiction and segment implementation costs based on any schedule modifications, workload changes, shipping costs, or additional information obtained from the outgoing contractor through due diligence.

Implementation costs represent the efforts of the MAC during its jurisdiction implementation and are non-recurring in nature. Jurisdiction implementation costs may be incurred at any time from the date of contract award. Implementation costs will generally not be incurred to any great extent after the final segment cutover; i.e., the jurisdiction operational start date, unless there are significant problems associated with one (or more) of the segment implementations.

To be considered an implementation cost the following criteria must be met:

- costs are non-recurring and would not have been incurred except for the MAC's implementation;
- costs are "used up" in the implementation; and
- costs do not represent ongoing operational costs and are not already included in the MAC's operational cost proposal.

Direct personal service costs of MAC employees working on an implementation may be considered as implementation costs but must be specifically identified and justified in the implementation cost proposal and any subsequent negotiations. The MAC will propose a separate implementation cost and will invoice accordance with **Chapter 13.6** above.

13.8 IRS Form 1099 Responsibilities

The outgoing carrier/intermediary shall retain responsibility for preparation and submission of IRS Form 1099 for the providers it serviced in the year that the cutover occurred (even if this period is less than one calendar year). This responsibility includes both the electronic reporting to the Internal Revenue Service (IRS) and the hard copy reporting statement for the providers. These items shall be released on the normal 1099 reporting cycle. During the transition, as part of their overall communication efforts, the incoming and outgoing contractors must remind providers that they will receive two 1099s for the year—one from the former (outgoing) carrier/intermediary and one from the current (incoming) MAC—unless cutover occurs at the end of the calendar year.

The outgoing carrier/intermediary's end-of-year 1099 mailing to providers should contain information referencing the incoming MAC's name, address, and telephone number. Providers should be instructed to contact the incoming MAC should there be a question regarding the 1099. This is because the outgoing carrier/intermediary will no longer have access to Medicare provider files or information. However, the IRS will not allow the MAC to correct a 1099 issued by the outgoing carrier/intermediary—only the corporate entity that issued the 1099 can make any corrections.

Therefore, if there is a question regarding the 1099 that will require a correction to the form, the MAC shall forward the question to the former carrier/intermediary along with the appropriate provider information so that the former carrier/intermediary can correct the discrepancy. The MAC and the outgoing carrier/intermediary must enter into a Memorandum of Understanding (MOU) that details the procedures for providing the necessary information that will enable the outgoing contractor to make the corrections.

If any provider reporting statements are returned as undeliverable mail, the former carrier/intermediary shall forward them to the MAC.

Chapter 14: RISK MANAGEMENT

14.1 General

CMS has placed great emphasis on identifying and managing risks involved in a workload implementation. The MAC must be prepared to mitigate identified risks and implement contingency plans. A well thought out approach to risk and a comprehensive risk management plan will help ensure that beneficiaries and providers are not negatively impacted as the result of a workload implementation.

14.2 Risk Management Processes

Risk management involves the systematic process of identifying, analyzing and responding to implementation risks. The MAC must look at the overall project and the uncertainties that exist and develop risk response strategies to prevent these potential issues from becoming real problems that will adversely affect the implementation. The activities listed below are the basic processes that should be followed for the management of risk during a workload implementation.

14.2.1 Risk Identification

The MAC will identify which risks might affect the implementation and document the characteristics of the risk. Identification may come from the MAC's experience in implementations, lessons learned from other implementations, industry experts or consultants, current performance, brainstorming, etc. Triggers or warning signs that a risk has occurred or is about to occur should also be identified.

14.2.2 Risk Analysis

Risk analysis will examine each identified risk to estimate the likelihood of it happening and to predict the impact on the implementation. The probability of a risk occurring may be expressed in numbers or levels such as high—likely to occur during the transition; medium—a possibility of the risk occurring; or low—unlikely to happen.

The impact on the implementation will normally focus on cost, schedule, technical, or operations. Impact assessment may also be expressed in numbers or levels: high—substantial impact on the cost, schedule, technical or operations; moderate—some impact; and low—minimal, if any, impact.

Once probability and impact have been categorized, a risk prioritization should be undertaken to show what risks require management attention and action.

14.2.3 Risk Response

The MAC should develop options for responding to the identified implementation risks. Options include:

- The risk could possibly be avoided by changing tasks or the schedule of the JIPP/SIPP. Any change would require CMS review;
- The risk might be able to be transferred or shifted to another organization involved in the transition;
- The probability or impact of the risk may be able to be reduced or mitigated. This is the most common option that MACs take in their approach to implementation and it has been used successfully over the years. It is much more preferable than trying to deal with a risk's consequences after cutover; and
- If other risk options are not practical or beyond the scope of the MAC's contract, the risk must be accepted. If the MAC accepts a risk, then contingency plans should be developed, especially for high priority risks. Contingency plans may also be developed for risks with a mitigation plan in place, should the mitigation plan not be effective.

14.2.4 Risk Management Plan

As required by CMS, the MAC must develop a risk management plan (also known as a risk response plan) following the component steps outlined above. The plan should contain:

- The details of all identified risks, their descriptions, their causes, the probability of their occurrence, the areas of the transition affected, and what impact the risk may have on the transition goals (see **Chapter 1.5**);
- The organization/person that is responsible for risk and their responsibilities;
- The results of the risk analysis and prioritization;
- The risk responses (options) that have been selected for each risk identified;
- The specific actions identified to implement the risk option strategy (e.g., mitigation, contingency plans); and
- The level of risk expected to remain after the strategy is implemented.

The MAC will submit a risk management plan as part of its proposal or as directed by CMS. As each segment implementation begins, the MAC should analyze risks specific to that segment and incorporate any additional risks into the risk management plan. The segment-specific update should be submitted no later than 30 days after the segment kickoff meeting. This will allow time for the MAC to obtain information from the outgoing contractor and complete at least some of its assessment/due diligence. See **Chapter 11.2.12**.

The outgoing contractor will play a key role in the development of the MAC's risk management plan. This cannot be overemphasized. After contract award, it is critical the MAC meet with the outgoing contractor, as well as other organizations directly involved in the transition, to go through the risk processes, develop a plan, and to coordinate with the other risk management plans or activities.

14.2.5 Risk Monitoring

The MAC must keep track of the identified risks throughout the implementation. It must monitor trigger events and ensure the execution of risk responses. Also, the incoming MAC should evaluate the effectiveness of the responses on an ongoing basis. The MAC must recognize new risks if they develop and monitor identified risks to see if they may change or disappear.

As an integral component of the risk management process, and as required by the RFP, the incoming MAC shall periodically reassess its risk management activities. The MAC must submit an update to its risk management plan on a monthly basis. The update should identify any new risks and describe the implementation of new risk responses, including mitigation strategies and contingency plans. See Chapter **11.2.13**.

LIST OF EXHIBITS

- Exhibit 1 Transition Phases and Terminology
- Exhibit 2 MAC Contract Administrative Structure
- Exhibit 3 Major Tasks and Activities Associated with a Workload Transition
- Exhibit 4 Outgoing Contractor Information/Documentation
- Exhibit 5 Files to be Transferred to a Medicare Administrative Contractor
- Exhibit 6 Sample Post-Cutover Workload Report
- Exhibit 7 MAC Workload Implementation Meeting and Documentation Guide
- Exhibit 8 Workload Transition Lessons Learned—January 2012
- Exhibit 9 Glossary
- Exhibit 10 Acronyms
- Exhibit 11 File and Record Transfer Plan Contents
- Exhibit 12 Sample EFT Final Request Notice

Exhibit 1 Transition Phases and Terminology

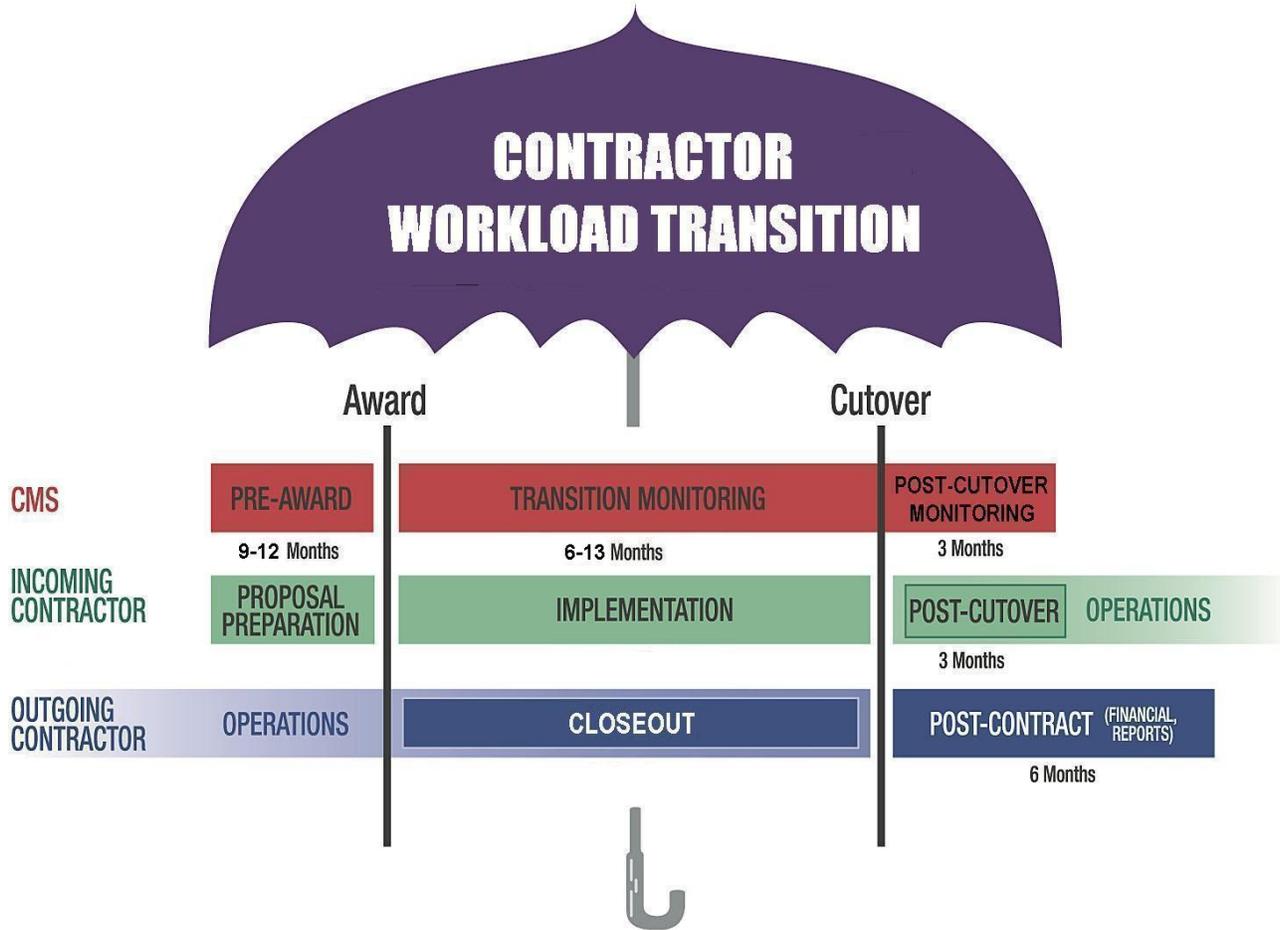


Exhibit 2 MAC Contract Administrative Structure

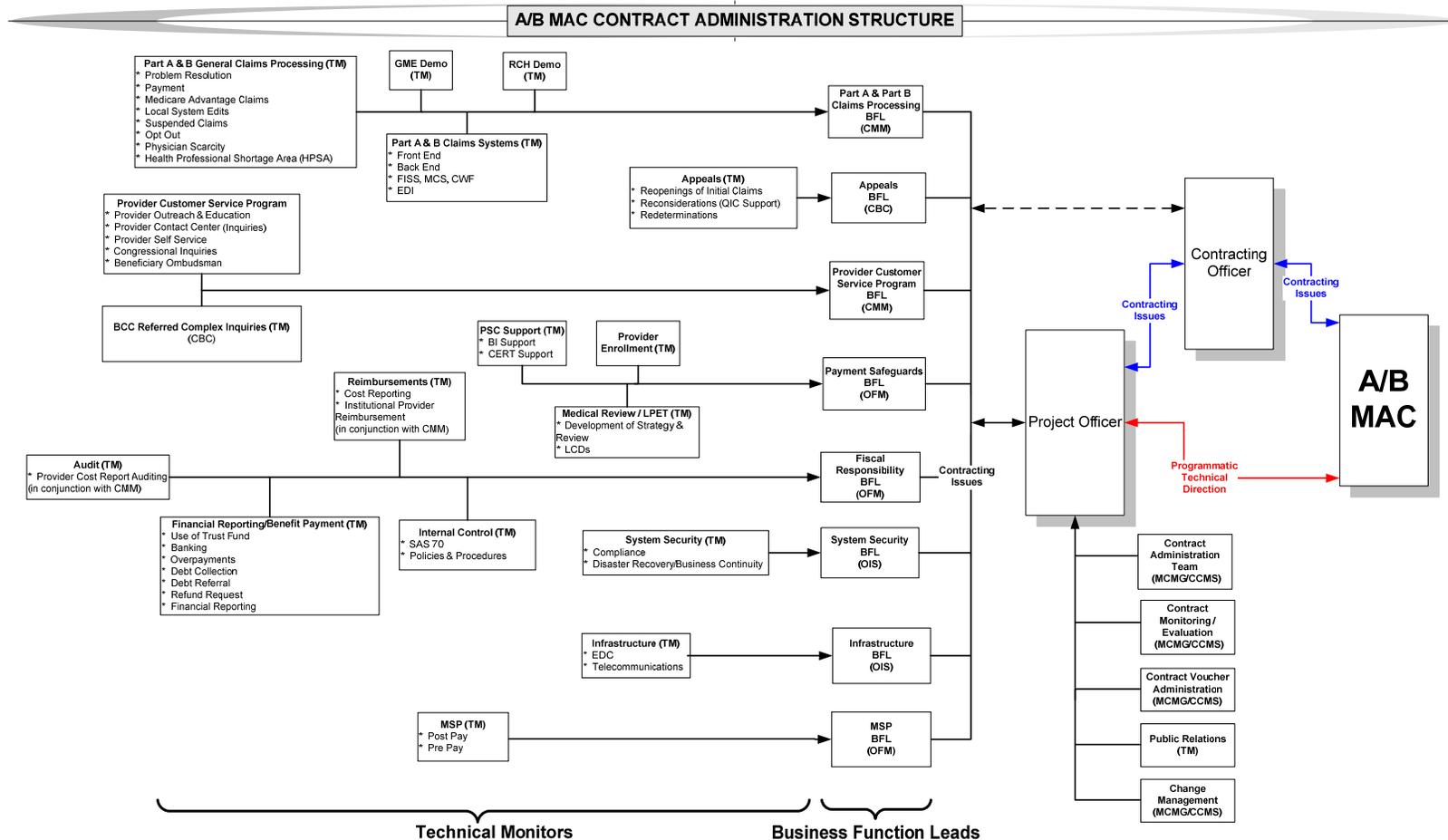


Exhibit 3

Major Tasks and Activities Associated with a Workload Transition

The following list is not all-inclusive.
All tasks listed may not be applicable in every implementation.

PROJECT MANAGEMENT

- Transition organization structure
- Establish/manage Workgroups
- Staffing
- Maintain Project plan
- Monitoring/issue log/deliverables
- Contract/subcontract administration
- Meetings
- Reports
- Communications: providers, beneficiaries, associations/groups, governmental
- Risk analysis/mitigation/contingency
- Asset inventory analysis
- Financial/ project budget
- Invoicing
- Post-cutover data sharing agreements

SITE ACQUISITION/PREPARATION

- Requirements
- Site acquisition
- Preparation/renovation
- Obtain/install furniture and equipment
- Miscellaneous—security, services, etc.

SOFTWARE ACQUISITION/INSTALLATION

- Requirements
- Acquisition
- Installation
- Testing

HARDWARE ACQUISITION/INSTALLATION

- Requirements
- Acquisition
- Installation
- Testing

Exhibit 3

Major Tasks and Activities Associated with a Workload Transition (Cont.)

CLAIMS PROCESSING/OPERATIONS ASSESSMENT

- Due diligence
- Assess/revise current operations/workflow—data entry/adjudication, MR, MSP, financial, hearings and appeals, reviews, pricing, correspondence, enrollment, etc.
- Documentation
- Special projects
- Performance deficiencies/PIPs
- Local issues/procedures/LCDs
- Special practices/best practices
- Corporate support functions (front end/back end, etc.)
- File review/transfer
- Print Functions
- Mail Operations/P.O. Boxes
- Forms/report analysis
- Records/storage

FINANCIAL

- Transition/operations budget development
- Cost reports/audit
- Accounts Receivable
- Banking agreements
- Letter of Credit
- Finance/Provider Payment?
- PIP coordination
- Provider and Physician/Supplier Overpayment Reports (POR/PSOR)
- CFO report
- EFT agreements
- Payment cycle change analysis

NETWORK / EDI / DATA CENTER CONNECTIVITY

- Determine voice/data requirements/configuration
- Order circuits/switches/equipment
- Install telecommunication equipment/software
- Establish/test connectivity
- LAN coordination (workstation support/servers/email)
- Data center agreements
- Websites

Exhibit 3
Major Tasks and Activities Associated with a Workload Transition
(Cont.)

TESTING

- Unit
- Cycle/system
- End-to-end
- Contractor Acceptance
- Parallel
- Stress
- Volume
- Telecommunications
- CWF
- Interfaces
- Print/mail
- Forms/reports
- OCR/ICR
- ARU/IVR
- Front end/back end/ bulletin board
- Financial/banking (EFT, recon, clears, etc.)
- Trading partners
- EDI/DDE

INTERFACES/TRADING PARTNERS

- Identification/communication with trading partners
- Obtain crossover agreements
- Test eligibility and claims files
- EDI interfaces/migration to data center
- Front-end/back-end
- CWF
- EDI/DDE
- Banking/financial
- EFT agreements
- Print/mail
- 1099s

RECRUITING AND TRAINING

- Develop/refine staffing requirements
- Obtain HR information for retained staff
- Recruit/hire staff
- Establish training facilities
- Prepare training materials
- Conduct training
- Refresher training

Exhibit 3

Major Tasks and Activities Associated with a Workload Transition (Cont.)

BENEFICIARY RELATIONS

- Obtain beneficiary and organization data
- Develop communication plan
- Contact beneficiary groups, state agencies, SSA
- Meeting/seminar planning/preparation
- Conduct meetings/attend conferences
- Bulletins/newsletters/stuffer/media/website

PROFESSIONAL AND PROVIDER RELATIONS

- Obtain provider/association data
- Develop provider and professional communication plan
- Contact provider/medical organizations/large providers
- Workshop/seminar planning/preparation
- Conduct provider workshops/seminars
- Develop bulletins/newsletters/stuffers/provider manual/website

CUTOVER

- Cutover Plan
- Asset transfer
- Physical move
- Final run/copy files
- Verify copies of production/files/inventory
- System setup/conversion
- Initial cycle run
- Verify output, financial, and print/mail
- Telecommunications
- Records storage

POST- CUTOVER

- Monitor business/system operations
- Problem identification/analysis
- Problem resolution
- Workload reporting
- Lessons learned

Exhibit 4

Outgoing Contractor Information/Documentation

The following is a sample of Medicare information and documentation that is normally requested by the incoming contractor and must be provided in its entirety by the outgoing contractor:

- Copies of MSNs, Remittance Advices
- Copies of all notices and bulletins
- Outgoing contractor closeout plan
- Copies of fee schedules and payment schedules
- List of providers on 100% review, under investigation (including issues involved), and referrals to the Department of Justice
- Information on providers:
 - Name, telephone number, address, EIN of provider
 - List of providers on PIP/off PIP, with effective dates
 - Date of last interim rate payment review
 - EMC status
 - Current provider payment rates
 - Waiver of liability information, if applicable
 - Current program integrity information
 - Summary PS&R data
- Listing of historical provider issues and problems
- Unique procedure information
- Complete EMC information on all providers and submitters including:
 - Standard formats used
 - Vendors/billing houses/software used
 - Status of EDI agreements/contracts
 - EMC submission rates
 - Use of ERN and EFT
- A list of all special claims handling circumstances
- Beneficiary State Tape (BEST) or the Carrier Alphabetical State File (CASF).
- Inventory of all program materials and procedures that are available to the MAC, including any government owned property (equipment and supplies).
- List of assets available for purchase from the outgoing contractor.
- Key contacts: beneficiary, providers, Congress, specialty groups, associations.
- Staff attrition reports
- Storage information
- Status of key workload volumes
- Accounts receivable
- Enrollment inventory
- Status of cost Reports
- STAR databases
- Audit trails for Provider debt
- Workshop schedule

Exhibit 4

Outgoing Contractor Information/Documentation (Cont.)

The following is a sample of Medicare information/documentation that may contain certain proprietary or business information. CMS will generally not require the outgoing contractor to release this information. However, if CMS believes that the information is critical to the success of the implementation and has the authority to do so, it will direct the release of a redacted version of the information:

- Annual Internal Audit Plan
- Business Continuity Plan
- Interim Expenditure Report/Notice of Budget Authorization
- Risk Assessment
- Lease agreements
- Subcontracts
- Off-site storage contract
- Personnel information
- Medicare organizational chart
- Disaster Recovery test results
- Production standards and performance requirements by functional area
- Internal controls/process manuals
- Training manuals and materials
- Claims processing guidelines

The following are public documents that are releasable specifically by statute or under the Freedom of Information Act (FOIA). However, these documents may contain some proprietary business information and/or financial data that is not releasable. CMS expects that outgoing contractors will normally release properly redacted copies of such documents to the incoming contractor:

- List of CAPs/PIPs/CPE findings
- CMS Regional Office Memorandum/Letters
- Certification Package of Internal Controls
- SAS 70 final report
- CFO Audit final report

NOTE: This exhibit (including the categorizations and examples contained within it) does not supersede CMS's rights under the Rights in Data clause contained in the Medicare carrier contract, intermediary agreement, or Plan agreement under the Blue Cross and Blue Shield Association.

Exhibit 5

Files to be Transferred to a Medicare Administrative Contractor

This list provides a sample of the types of files that will be transferred to an incoming Medicare contractor. It is not all-inclusive. Files to be transferred will vary depending on functions currently performed by the outgoing contractor and the functions that will be performed by the MAC.

Provider File

- Data File
- Index File
- Provider Mnemonic File
- Provider Overflow File
- Reasonable Charge File
- Physician ID File

Customary File

- Current Year File
- Previous Year File

Prevailing File

- Current Year File
- Previous Year File

Profile Procedure/Pricing Files

- Current Year File
- Previous Year File

Lowest Charge Level File

Limiting Charge Monitoring File

Beneficiary File

- On-line History Data Base File
- Off-line History Data Base File
- Index File
- Soundex File

Claim History/Conversion File

- Data File
- Beneficiary Inverted File
- Provider Inverted File

Exhibit 5
Files to be Transferred to a Medicare Administrative Contractor
(Cont.)

Activity/Pended File

- Data File
- Master Pending File
- Index File
- Beneficiary Inverted File
- Provider Inverted File

Financial Files

- Accounting Master File
- Bank Reconciliation/Accounts Receivable File
- Inverted File

DME Files (DME MACs only)

Eligibility File

QA Files

Carrier Option File

Pending/ Finalized Audit and Reimbursement File

Personnel File

Correspondence Files

- On-line Correspondence History Data Base File
- Index File
- Inverted File
- Inverted Index File

Utilization (Post Payment) Review Files

Provider Development Systems (PDS) Files

- PDS Option File
- Base Year File
- Maximum Allowable Prevailing Charge File
- No Rollback File

Exhibit 5
Files to be Transferred to a Medicare Administrative Contractor
(Cont.)

MSP Files

- Savings File
- Insurer File
- Data Match File

Government File

Coordination of Benefits File

HCPCS File

Pacemaster File

Miscellaneous Files

- SCC Files
- On-line and Update Reference Files
- Rolling Transaction File
- RPTTOTAL File
- OBFNEW File
- Batch Control File
- CICS Table Files
- Miscellaneous Transaction File
- Statistics File
- Replies Restart File
- Beneficiary Restart File
- HIC Restart File
- Procedure Frequency File
- PVSELECT File
- Provider Log File
- Procedure Diagnosis File
- Activity Restart File
- Daily/Weekly Check Number Files

Exhibit 6 Sample Post-Cutover Workload Report

Post-Cutover Workload Report													
MAC Name													
Date													
Date	Pending	Rec	Proc	CWF	Denied	Suspend	DOH Claims	DOH Corr	DOH Appeals	Bene Checks	Bene\$	Prov Checks	Prov\$
9/1/04													
9/2/04													
9/3/04													
9/6/04													
9/7/04													
9/8/04													
9/9/04													
9/10/04													
9/13/04													
9/14/04													
9/15/04													
9/16/04													
9/17/04													
9/20/04													
9/21/04													
9/22/04													
9/23/04													
9/24/04													
9/27/04													
9/28/04													
9/29/04													
9/30/04													

Exhibit 6 Sample Post-Cutover Workload Report (Cont.)

Provider Service Center and IVR Monthly Report										
	Date	ACD Calls	DAILY % Service Level 60 Sec	MTD % Service Level 60 Sec	Average Talk Time	ATB	MTD - AVG ATB	Total Calls Answered (Calls that came into the IVR)	Calls Transferred to an Operator (opted out to rep)	Completed Calls (Completed in the IVR)
9/1/04										
9/2/04										
9/3/04										
9/4/04										
9/5/04										
9/6/04										
9/7/04										
9/8/04										
9/9/04										
9/10/04										
9/11/04										
9/12/04										
9/13/04										
9/14/04										
9/15/04										
9/16/04										
9/17/04										
9/18/04										
9/19/04										
9/20/04										
9/21/04										
9/22/04										
9/23/04										
9/24/04										
9/25/04										
9/26/04										
9/27/04										
9/28/04										
9/29/04										
9/30/04										
MTD:										
<p>***Note: Callers have pre-IVR options to use the IVR or speak with a CSR. The numbers reflected on this report do not reflect those callers that opted to be routed to Customer Service.</p>										

Exhibit 7 MAC Workload Implementation Meeting and Documentation Guide

Blue shaded activities indicate face-to-face meetings or teleconferences.

Abbreviations:

CMS: **CO**—Contracting Officer; **COR**—Contracting Officer’s Representative; **IL**—Implementation Lead; **CM**—Contractor Manager; **MISC**—Medicare Implementation Support Contractor; **MAC:** **PM**—Project Manager; **SPM**—Segment Project Manager; **Carrier/Intermediary:** **CPM**—Closeout Project Manager; **Other:** **BCBSA**—Blue Cross and Blue Shield Association; **ZPIC**—Zone Program Integrity Contractor; **EDC**—Enterprise Data Center; **SSM**—Shared System Maintainer; **CWF**—Common Working File; **BCC**—Beneficiary Call Center; **QIC**—Qualified Independent Contractor.

No.	Activity	Description	Purpose	Frequency	Media	Audience	Responsibility	Ref.
1.	<i>Post-Award Orientation Conference.</i>	<i>1-2 hour meeting.</i>	<i>To review contract provisions, CMS contract administration, and invoicing.</i>	<i>One-time meeting 10-15 days after contract award or effective date of contract.</i>	<i>Face-to-face meeting or teleconference.</i>	CMS: CO, COR, IL; MAC: PM, Project Team.	CMS Contracting Officer.	3.5.5
2.	<i>MAC Pre-Meeting</i>	<i>2-3 hour meeting.</i>	<i>To review CMS’s project expectations and requirements, discuss issues that have arisen since award, and make final preparations for Jurisdiction Kick-off Meeting</i>	<i>One-time meeting held prior to Jurisdiction Kickoff Meeting</i>	<i>Face-to-face meeting.</i>	CMS: COR, IL, MISC; MAC: PM and Project Team.	CMS Project team.	3.5.1
3.	<i>Jurisdiction Transition Kickoff Meeting Notice</i>	<i>Invitation to attend the Jurisdiction Kickoff Meeting along with the purpose of the meeting.</i>	<i>To invite stakeholders and all parties directly involved in the transition to the initial meeting to organize, understand, and coordinate activities for the upcoming jurisdiction transition.</i>	<i>Sent to potential attendees approximately 2 weeks prior to the scheduled meeting.</i>	<i>Memo via electronic mail.</i>	CMS: internal components, MISC; MAC; Outgoing Carriers/ Intermediaries; All involved functional contractors, other stakeholders.	MAC Project Manager with CMS input	3.5.3.2

Exhibits

No.	Activity	Description	Purpose	Frequency	Media	Audience	Responsibility	Ref.
4.	<i>Jurisdiction Transition Kickoff Meeting Agenda.</i>	<i>List of meeting topics with estimated times and dial-in teleconference number.</i>	<i>To provide participants with a description of topics to be discussed during the meeting.</i>	<i>One-time meeting. Due 3 days prior to meeting.</i>	<i>Memo via email.</i>	CMS: CO, COR, IL, MISC, Project Team; MAC: PM and Project Team; Outgoing Contractors: Data Centers; PSC; EDC; BCBSA; BCC; QIC, SSM, ZPIC, etc.	<i>MAC Project Manager with CMS input.</i>	3.5
5.	<i>Jurisdiction Transition Kickoff Meeting.</i>	<i>1 day meeting</i>	<i>To review the upcoming MAC jurisdiction implementation and associated carrier/intermediary closeout activities.</i>	<i>One-time meeting scheduled within 30 days of contract award or effective date of contract.</i>	<i>Face-to-face meeting with teleconference capability.</i>	CMS: CO, COR, IL, MISC, Project Team; MAC: PM and Project Team; Outgoing Contractors: Data Centers; PSC; EDC; BCBSA; QIC; BCC, SSM, etc.	<i>MAC Project Manager.</i>	3.5.3
6.	<i>MAC Jurisdiction Transition Kickoff Meeting Documentation.</i>	<i>Minutes, record of discussion, issues/ action items.</i>	<i>To document the discussion and issues/action items from the jurisdiction transition kickoff meeting.</i>	<i>3 days following meeting.</i>	<i>Memo via electronic mail.</i>	<i>All attendees.</i>	<i>MAC Project Manager.</i>	3.5
7.	<i>Jurisdiction Transition Contact List.</i>	<i>List of kickoff meeting attendees and others to be involved in the project.</i>	<i>To ensure that appropriate transition personnel can be reached as needed throughout the transition.</i>	<i>Update and distribute as changes are made.</i>	<i>Spreadsheet via electronic mail</i>	<i>All Jurisdiction Kickoff Meeting attendees and others identified to be involved in the transition.</i>	<i>MAC Project Manager.</i>	3.5
8.	<i>Deliverables List.</i>	<i>List of documents, information, files, etc. requested by MAC to be provided by outgoing contractor.</i>	<i>To facilitate the transition from the carrier/intermediary to the MAC environment.</i>	<i>Development begins at contract award. Maintained and updated throughout the implementation.</i>	<i>Memo via electronic mail.</i>	Outgoing Contractor; CMS: COR, CM, Implementation Lead, MISC.	<i>MAC Project Manager.</i>	3.5.3.3 4.12

Exhibits

No.	Activity	Description	Purpose	Frequency	Media	Audience	Responsibility	Ref.
9.	MAC Segment Transition Kickoff Meeting Agenda.	List of meeting topics with estimated times and dial-in teleconference number.	To provide participants with a description of topics to be discussed during the meeting.	One-time meeting for each segment implementation. Due 3 days prior to meeting.	Memo via electronic mail.	CMS: CO, COR, IL, CM, MISC; MAC: PM, Project Team leads; Outgoing Contractor ; BCBSA; PSC; EDC; BCC; SSM, QIC, etc.	MAC Project Manager with input from CMS.	3.5.4.2
10.	MAC Segment Transition Kickoff Meeting.	1 day meeting.	To review the upcoming segment implementation and carrier/intermediary closeout activities.	One-time meeting for each segment implementation.	Face-to-face meeting with teleconference capability.	CMS: CO, COR, IL, CM, MISC; MAC: PM, workgroup leads; Carrier/Intermediary ; PSC; EDC; BCBSA; BCC; SSM, QIC, etc.	MAC Project Manager.	3.5.4
11.	MAC Segment Transition Kickoff Meeting Documentation.	Minutes, record of discussion, and issues/action items.	To document the discussion and issues/action items from the segment kickoff meeting.	3 days following meeting.	Memo via electronic mail.	All attendees.	MAC Project Manager.	3.5.4.2
12.	Segment Transition Contact List.	Contact list of segment kickoff meeting attendees and others to be involved in the project.	To ensure that appropriate segment transition personnel can be reached as needed throughout the transition.	Update and distribute as any changes are made.	Spreadsheet via electronic mail.	All attendees and workgroup members and others identified to be involved in the transition.	MAC Project Manager.	3.5.4.2
13.	Comprehensive Transition Workgroup Schedule/Calendar/Contact List.	Document in calendar format showing all workgroups, heads, members, meeting times, and dial-in teleconference numbers.	To provide a reference calendar of all workgroup meetings and information.	Update and distribute as any changes are made.	Calendar format via electronic mail.	CMS: COR, IL, CM MISC; MAC: Project Manager; all workgroup members.	MAC Project Manager	3.6.5

Exhibits

No.	Activity	Description	Purpose	Frequency	Media	Audience	Responsibility	Ref.
14.	Transition Workgroup Agenda.	Standardized outline of workgroup topics with dial-in teleconference number	To provide participants with topics to be covered in the workgroup meeting.	One day prior to the meeting.	Memo via electronic mail.	CMS: IL, CM, MISC; MAC: PM, SPM; all workgroup members.	Workgroup Head.	3.6.5
15.	Transition Workgroup Meetings.	Meetings for the various functional workgroups.	To monitor transition tasks and issues of the functional area for which the workgroup has responsibility.	Weekly meetings throughout the jurisdiction/segment transition	Teleconference	All workgroup members.	Workgroup Head.	3.6.5
16.	Transition Workgroup Meeting Documentation.	Concise description of the workgroup meeting, issues, and action items.	To provide a record and to document issues and action items pertaining to the workgroup.	Two days after each meeting.	Memo via electronic mail.	All workgroup members; all other workgroup heads; CMS: IL, CM, MISC; MAC: PM, SPM.	Workgroup Head.	3.6.5
17.	Implementation Project Status Report.	Narrative of jurisdiction accomplishments by major tasks, issues/concerns, action items, upcoming activities.	To communicate progress and performance against the project schedule, highlight issues, concerns, action items, etc. regarding the total jurisdiction implementation.	Weekly at least 2 days prior to Implementation Project Status Meeting.	Memo via electronic mail.	CMS: CO, COR, IL, CM, MISC; MAC: PM, SPM, workgroup heads; all other attendees of the Jurisdiction Kickoff Meeting/Contact List.	MAC Project Manager.	11.2.5
18.	Project Status Meeting Agenda.	List of meeting topics with estimated times and dial-in teleconference number.	To provide participants with a description of topics to be discussed.	Weekly at least 1 day before meeting.	Memo via electronic mail.	CMS: CO, COR, IL, CM, MISC; MAC: PM, SPM, workgroup heads; all other attendees of the Jurisdiction Kickoff Meeting/Contact List.	MAC Project Manager.	11.1.5

Exhibits

No.	Activity	Description	Purpose	Frequency	Media	Audience	Responsibility	Ref.
19.	<i>Project Status Meeting.</i>	<i>1-2 hour general status meeting.</i>	<i>To keep all parties involved in the transition informed about the overall transition status, to discuss progress and issues, track action items and deliverables, and to review the Implementation Project Plan (JIPP).</i>	<i>Weekly</i>	<i>Conference call. Possible face-to-face meeting with tele-conference capability</i>	<i>CMS: CO, COR, IL, CM, MISC; MAC: PM, SPM, workgroup leads; outgoing carrier/intermediary; PSC; EDC; BCC; BCBSA; QIC; SSM, etc.</i>	<i>MAC Project Manager</i>	<i>11.1.5</i>
20.	<i>Project Status Meeting Documentation.</i>	<i>List of attendees, discussion items, action items.</i>	<i>To provide a record and document the issues/action items from the weekly project status meeting</i>	<i>3 days after meeting</i>	<i>Memo via electronic mail</i>	<i>All attendees</i>	<i>MAC Project Manager</i>	<i>11.1.5</i>
21.	<i>Jurisdiction Implementation Project Plan (JIPP).</i>	<i>Project plan listing major tasks/subtasks required for the MAC jurisdiction implementation, along with dates, duration, dependencies, and responsible parties.</i>	<i>To document all actions required for the MAC jurisdiction implementation, identify dependencies, and establish start/completion dates in order to monitor progress and to facilitate the communication process among the parties involved in the transition.</i>	<i>Submitted in accordance with RFP or CMS. Baseline document developed within 30 days of kickoff.</i>	<i>Electronic. Project management software in, or convertible to, MS Project, MS Excel, or PDF format.</i>	<i>CMS: CO, COR, IL, MISC; MAC: PM, SPM; outgoing carrier/intermediary.</i>	<i>MAC Project Manager. Input from all involved entities necessary for baseline JIPP. Baseline JIPP approved by CMS.</i>	<i>4.3.1 11.2.1</i>

Exhibits

No.	Activity	Description	Purpose	Frequency	Media	Audience	Responsibility	Ref.
22.	<i>Jurisdiction Implementation Project Plan (JIPP) Update.</i>	<i>Current information on the JIPP regarding project tasks, start and finish dates, dependencies, and completion percentage, including a list of tasks completed and off schedule.</i>	<i>To provide up-to-date information regarding all project tasks. This will allow the MAC Project Manager and all involved parties to effectively monitor and manage the overall project to ensure completion as scheduled.</i>	<i>Weekly. Submitted with the Implementation Project Status Report.</i>	<i>Electronic. Project management software in, or convertible to, MS Project, MS Excel, or PDF format.</i>	CMS: CO, COR, IL, MISC; MAC: PM, SPM; outgoing carrier/intermediary.	<i>MAC Project Manager.</i>	<i>11.2.2 4.3.3</i>
23.	<i>Segment Implementation Project Plan (SIPP).</i>	<i>Project plan listing major tasks/sub-tasks required for the MAC segment implementation, along with dates, duration, dependencies and responsible parties.</i>	<i>To document all actions required for the MAC segment implementation, identify dependencies, and establish start/completion dates in order to monitor progress and to facilitate the communication process among the parties involved in the transition</i>	<i>Draft due 30 days prior to scheduled start of segment implementation. Baseline document developed within 30 days of segment kickoff meeting.</i>	<i>Electronic. Project management software in, or convertible to, MS Project, MS Excel, or PDF format.</i>	CMS: COR, IL, MISC; MAC: PM, SPM; outgoing carrier/intermediary.	<i>MAC Segment Project Manager. Input from all involved entities necessary for baseline SIPP. Baseline SIPP approved by CMS.</i>	<i>4.3.2</i>
24.	<i>Segment Implementation Project Plan (SIPP) Update.</i>	<i>Current information on the SIPP regarding project tasks, start and finish dates, dependencies, and completion percentage, including a list of tasks completed and off-schedule.</i>	<i>To provide up-to-date information regarding all project tasks. This will allow the MAC Segment Manager and all involved parties to effectively monitor and manage the overall project to ensure completion as scheduled.</i>	<i>Biweekly on the Jurisdiction Status Report /Meeting off-week. Submitted with the Segment Project Status Report.</i>	<i>Electronic. Project management software in, or convertible to, MS Project, MS Excel, or PDF format.</i>	CMS: COR, IL, MISC; MAC: PM, SPM; outgoing carrier/intermediary.	<i>MAC Segment Project Manager.</i>	<i>4.3.3 11.2.4</i>

Exhibits

No.	Activity	Description	Purpose	Frequency	Media	Audience	Responsibility	Ref.
25.	Master List of Issues/ Action Items.	Comprehensive list that documents issues/action items for each segment including ID, date created, description, responsible party, status, date of resolution. Accumulated from the various segment workgroups.	To track segment transition issues and action items related to the project. Will be reviewed during the project status meetings.	Reviewed weekly and updated as required. Submitted with the weekly Project Status Report.	Distributed by electronic mail.	CMS: IL, CM, MISC; MAC: PM, SPM; workgroup heads; outgoing carrier/ intermediary; EDC; BCBSA; PSC; BCC; QIC; SSM, etc.	MAC Segment Project Manager	11.2.7
26.	Segment Communication Plan.	A general description and detailed schedule of how the MAC will educate and keep all segment transition stakeholders informed of the progress of the implementation and how any changes may affect them.	To monitor communication activities and schedules for each segment.	Overall communication plan submitted as part of the JIPP. Specific segment communication plans developed within 30 days of each segment kickoff meeting.	Distributed by electronic mail.	CMS: IL, MISC; MAC: PM, SPM; outgoing carrier/intermediary.	MAC Segment Project Manager with input from carrier/intermediary.	12.2 11.2.10
27.	Segment Communication Plan. Update	Update on communication activities and schedules	To provide CMS with current information on communication activities and schedules.	Weekly. Submitted with the Implementation Project Status Report.	Distributed by electronic mail.	CMS: IL, MISC; MAC: PM, SPM; outgoing carrier/intermediary.	MAC Segment Project Manager.	12.2 11.2.11

No.	Activity	Description	Purpose	Frequency	Media	Audience	Responsibility	Ref.
28.	<i>Segment Test Plan.</i>	<i>A specific and detailed description of the resources, types of tests and schedule for each segment.</i>	<i>To monitor the testing of the MAC's claims processing system and operational environment prior to each segment cutover.</i>	<i>Overall jurisdiction testing approach provided in the MAC's proposal. Baseline segment test plan developed within 30 days of segment kickoff meeting.</i>	<i>Distributed by electronic mail.</i>	<i>CMS: IL, MISC; MAC: PM, SPM; appropriate workgroup heads.</i>	<i>MAC Segment Project Manager.</i>	<i>8.2 11.2.8</i>
29.	<i>Segment Test Plan Update.</i>	<i>Update on testing activities and schedules.</i>	<i>To track schedule progress and provide current information on testing.</i>	<i>Updated on a weekly basis and submitted with the Implementation Project Status Report.</i>	<i>Distributed by electronic mail.</i>	<i>CMS: IL, MISC; MAC: PM, SPM; appropriate workgroup heads.</i>	<i>MAC Segment Project Manager.</i>	<i>8.2 11.2.9</i>
30.	<i>Risk Management Plan.</i>	<i>A plan that identifies and analyzes jurisdiction and segment-specific risks, prioritizes them, and provides mitigation strategies and contingency plans.</i>	<i>To assist in managing and monitoring segment risks and mitigation activities.</i>	<i>Submitted as directed by the RFP or COR. Any segment-specific risks incorporated within 30 days of segment kickoff meeting.</i>	<i>Distributed by electronic mail.</i>	<i>CMS: IL, MISC; MAC: PM, SPM.</i>	<i>MAC Segment Project Manager.</i>	<i>14.2.4 11.2.12</i>
31.	<i>Risk Management Plan Update.</i>	<i>Update to risks based on periodic assessment or changed conditions.</i>	<i>To have up-to-date mitigation strategies and contingencies based on changes to the implementation environment.</i>	<i>As necessary, but at biweekly. Submitted with the Implementation Project Status Report.</i>	<i>Distributed by electronic mail.</i>	<i>CMS: IL, MISC; MAC: PM, SPM.</i>	<i>MAC Project Manager.</i>	<i>14.2.5 11.2.13</i>

Exhibits

No.	Activity	Description	Purpose	Frequency	Media	Audience	Responsibility	Ref.
32.	Employment Report.	A report of MAC employees hired during the implementation, broken down by location, functional or organizational area.	To allow CMS to track employment hiring activity.	Weekly report to be submitted with the Implementation Project Status Report.	Distributed by electronic mail.	CMS: IL, MISC; MAC: PM, SPM.	MAC Project Manager.	5.1.3 11.2.15
33.	Segment Cutover Plan.	Day-by-day checklist of activities that need to be accomplished during the cutover period.	To assure that all tasks required for the transfer of Medicare files, records, equipment, etc. from the outgoing contractor are captured and tracked.	Submitted at least 45 days prior to the segment cutover date.	Distributed by electronic mail.	CMS: IL, MISC; MAC: PM, SPM; outgoing carrier/intermediary; EDC; BCBSA; PSC; BCC; SSM; QIC, etc.	MAC Segment Project Manager.	9.2 11.2.16
34.	Segment Cutover Plan Update.	Updates to the cutover plan reflecting tasks completed.	To provide an up-to-date status of tasks required for cutover.	Daily during the segment cutover period (10-14 days prior to cutover.)	Distributed by electronic mail.	CMS: IL, MISC; MAC: PM, SPM; outgoing carrier/intermediary; EDC; BCBSA; PSC; BCC; QIC; SSM, etc.	MAC Segment Project Manager.	9.2 11.2.16
35.	Segment Cutover Meeting.	Status meeting generally one-half to one hour in length.	To review the Segment Cutover Plan and progress of activities, including action items, concerns, risks, and contingencies.	Daily during the segment cutover period (10-14 days prior to cutover) and continuing at least one week after cutover.	Teleconference.	CMS: IL, COR, MISC; MAC: PM, SPM; outgoing carrier/intermediary; EDC; BCBSA; PSC; QIC; BCC; SSM, etc.	MAC Segment Project Manager.	9.4 11.1.8
36.	Cutover Meeting Documentation.	Brief synopsis of attendees, discussion items, and action items.	To document cutover meeting conference calls.	Prior to next daily meeting.	Memo via electronic mail.	All attendees of the Segment Cutover Meeting.	MAC Segment Project Manager.	9.4

Exhibits

No.	Activity	Description	Purpose	Frequency	Media	Audience	Responsibility	Ref.
37.	<i>EFT/EDI Progress Report.</i>	<i>Daily report of numbers and percentages of providers completing EFT/EDI/DDE processes.</i>	<i>To track progress of EFT form completion, DDE registration/security, and provider/trading partner EDI set up and testing. Assists MAC in focusing efforts for completion of processes.</i>	<i>Weekly. Daily beginning with the start of the segment cutover period (10-14 days prior to cutover).</i>	<i>Memo via electronic mail.</i>	CMS: IL, MISC; MAC: SPM; outgoing carrier/intermediary.	<i>MAC Segment Project Manager.</i>	9.7
38.	<i>File Transfer Plan.</i>	<i>Description of Medicare files and records to be transferred by type, how and where they will be moved, and schedule.</i>	<i>To provide the logistics for the actual transfer of files and to assist CMS in monitoring file preparations and the relocation of files.</i>	<i>Draft due 30 days prior to cutover. Finalized during the cutover period).</i>	<i>Distributed by electronic mail</i>	CMS: IL, MISC; MAC: SPM; outgoing carrier/intermediary.	<i>MAC Segment Project Manager and carrier/intermediary Close-out Project Manager.</i>	9.10.2 Exhibit 11
39.	<i>Go/No-Go Decision Meeting</i>	<i>An optional meeting to assess any impediments to the established cutover schedule.</i>	<i>To assist CMS in determining whether to proceed with the final cutover or delay because of unanticipated problems/ issues with the implementation.</i>	<i>Optional one-time meeting 7-14 days prior to scheduled cutover.</i>	<i>Teleconference.</i>	<i>All parties directly involved in the cutover process.</i>	<i>Incoming MAC Project Manager with input from CMS</i>	9.5

No.	Activity	Description	Purpose	Frequency	Media	Audience	Responsibility	Ref.
40.	Segment Production Workload Report.	Operational statistics from production, including claims, correspondence, appeals, and customer service as they pertain to the segment workload that has been cut over. Format and content specified by CMS.	To aid in monitoring operations and implementation issues in the post-cutover period as they pertain to the segment that has cut over.	Daily for at least the first 2 weeks after cutover. Frequency after the first 2 weeks will be determined by CMS.	Distributed by electronic mail.	CMS: COR, IL, MISC; MAC: PM, SPM.	MAC Segment Project Manager.	10.4 Ex. 6 11.2.18
41.	Post Project Review (Lessons Learned).	A discussion of segment transition successes and areas that could be improved.	To document lessons learned and suggested improvements for the next segment transition. A compilation of lessons learned from all parties involved in the transition will be used as the basis for the Post Project Review Meeting.	One time. Due 4-6 weeks after cutover of each segment. MAC will also compile lessons learned from other involved parties into a single document and distribute 1 week prior to the Post-Project Review Meeting.	Distributed by electronic mail.	CMS: IL, MISC; MAC: PM, SPM; outgoing carrier/intermediary; EDC; BCBSA; PSC; BCC; QIC; SSM, etc.	MAC Project Manager with input from project leads of all parties involved in the transition.	10.7 11.2.19
42.	Post-Project Review Meeting (Lessons Learned).	1-2 hour meeting.	To discuss segment transition practices that worked well and areas for improvement for future transitions.	One time. Approximately 4-6 weeks following each segment cutover.	Teleconference or possible face-to-face meeting.	CMS: IL, MISC; MAC: PM, SPM; outgoing carrier/intermediary; EDC; BCBSA; PSC; BCC; QIC; SSM, etc.	MAC Project Manager.	10.8 11.1.9

Exhibit 8

Workload Transition Lessons Learned – January 2012

The following is a compilation of lessons learned gathered during MAC workload transitions. Not all of the lessons learned may be applicable to every transition.

Project Management

1. The MAC implementation team must use a structured management approach for planning, managing and tracking project progress. The key components should include a project schedule and other primary communication tools (i.e. project status report and an issues log).
2. A uniform document naming convention should be applied to ensure consistency of document naming and version control throughout the workgroups.
3. The MAC should create and maintain an implementation communication plan to summarize their plans for meetings and other communication vehicles to be used during MAC implementations.
4. Project plans and cutover plans must be maintained and distributed regularly. When start and finish dates are not updated timely, it is unclear to the recipients if tasks were completed, overlooked or unnecessary.
5. A master deliverables list should be created and maintained throughout each segment implementation. The deliverables list should be detailed enough so that the OGC can deliver what the MAC expects. Keeping in mind the probable differences in terminology, the MAC should not assume that the OGC will interpret things the same way. The MAC implementation team members should be made aware of the status of the requested deliverables and the points of contact so that there are not multiple requests for the same information.
6. The MAC should notify the OGC of its intentions to send acknowledgement of receipt for each deliverable or only to respond to those deliverables with questions or concerns.
7. The OGC deliverables listing should include a target date for review and acceptance of the deliverable by the MAC. In addition, once the due dates for external deliverables are agreed upon, the MAC should adhere to the schedule and report/document items as late rather than changing the due date or granting an extension.
8. The OGC should carefully review the initial deliverables list and confirm within the first few weeks which deliverables they will provide and identify those they deem proprietary. This will allow the MAC time to develop contingency plans for obtaining alternate information.

Exhibit 8

Workload Transition Lessons Learned – January 2012 (Cont.)

9. Tasks should be included on the JIPP to confirm with CMS operational areas that work has been completed to transfer the workload/providers in STAR and PS&R from the OGC's region to the MAC's region.
10. Discussions with CMS on how to handle specialty or national provider situations should be held shortly after kickoff so the appropriate preparations can be made by the incoming MAC. In addition, early decisions will allow the providers to adjust and prepare for the move to the MAC.
11. The MAC should work with the OGCs to develop and sign data sharing agreements for all types of data that may need to be shared post-implementation, including files that are commingled and cannot be separated. This task should occur early enough in the implementation to ensure that agreements are signed prior to cutover.
12. The BCC has established a specific email box for the MAC implementations: mac.contact@vangent.com.
13. Based on the CMS Privacy Act Implementation Policy, MACs do not enter into data usage agreements (DUAs) with CMS due to the fact that they are deemed "Operational" contractors and the language in their contracts covers the same language that is included in DUAs.
14. The MAC's SIPPs, cutover plans, and deliverables will need to be customized for transitioning commingled workloads in cases where the data cannot be separated.
15. The MAC can gain important information about the current processes in place at the OGC by conducting onsite visits, in lieu of conducting due diligence via teleconference/off-site meetings.
16. An on-site due diligence is an important step for the MAC's understanding of electronic information. While it is understandable that there would be limits to what the MAC could access, it is very important to be able to view applications necessary for MAC operations, especially given that many contractors use electronic databases and images outside of the standard system to process their daily work. Without an on-site visit, unforeseen issues can arise later during the critical stages of the implementation.
17. In the event that the OGC denies a MAC's request for on-site due diligence reviews, the MAC needs to establish a process that ensures that they obtain the information necessary in a timely fashion. It may be advisable for the MAC to conduct their due diligence reviews as a separate work session either via teleconference, at the MAC's location, or a non-operational site near the OGC. The OGC should provide sufficient time for discussion and the same resources that they

Exhibit 8

Workload Transition Lessons Learned – January 2012 (Cont.)

would have provided if they were on-site. The MAC should avoid relying on email communications and additional deliverables as this will ultimately delay the process and may not uncover information that is significant to the successful transfer of the workload.

18. The current RO staff/Contract Managers should provide input to the MAC regarding the OGC's outstanding issues for each segment workload. They should advise the MAC on the potential provider groups or issues the MAC could encounter as well as offer suggestions where service to providers could be improved.
19. MACs and OGCs should identify issues that require CMS decisions or any issues that could affect programming early in the implementation process in order to allow adequate time for programming changes or the development of contingency plans.
20. The incoming MAC should closely monitor issues involving multiple parties (i.e. CMS, CWF) since these types of decisions may require coordination between multiple groups; and therefore, take more time to resolve.
21. The transfer of imaged files should be discussed early in the implementation process. This is an ideal topic for onsite and due diligence reviews. Discussion should include:
 - the imaging system
 - image formats
 - workload types imaged
 - at what points the documents are imaged
 - volumes for imaged files and the equipment and time that will be required to burn the images
 - indexing and labeling for CDs/DVDs
22. The MAC must solicit input from key stakeholders regarding meeting day and time availability. The meeting schedule should not be finalized until approved by key stakeholders.
23. Reoccurring meetings throughout the course of the implementation need to be scheduled far enough in advance to allow for adequate planning and appropriate coverage by all stakeholders.
24. Workgroup calls should be coordinated in a way that minimizes overlap and therefore, does not present resource issues for any of the stakeholders. Also, issuing a calendar of meetings on a weekly basis helps stakeholders ensure calls (particularly new recurring calls and ad-hoc calls) are not overlooked.

Exhibit 8

Workload Transition Lessons Learned – January 2012 (Cont.)

25. The incoming contractor should ensure there are enough lines available for workgroup teleconferences and pass codes should be confirmed prior to the calls. In past implementations, there have been instances where there were not enough lines for all parties to dial into the various workgroup calls.
26. The MAC must clearly define the purpose of each type of meeting far enough in advance that each stakeholder has the opportunity to identify appropriate resources to attend each MAC meeting.
27. Daily cutover calls should be thoroughly documented by distributing minutes that include: attendees, topics of discussion and action items.
28. Cutover meeting expectations need to be clearly defined for all participants in order to help gauge the right mix of management, business analysts and/or technical participants.
29. The MAC should ensure that interfaces are addressed either in a separate functional workgroup or combined with the systems workgroup. If separate, this workgroup should be conducted and documented consistent with the methods utilized for the other functional workgroups.
30. Utilizing an “organizational” role call for most workgroup calls (in lieu of requesting the name of each attendee) resulted in an efficient use of time while ensuring all stakeholders were present. However when speaking, each person should announce their individual name and stakeholder/company they represent.
31. Consolidating the workgroups calls into one weekly call approximately three to four weeks prior to cutover provides a forum for quicker resolution of issues and questions since the right people are on the calls, allows staff to focus on the tasks for the upcoming cutover and eliminates duplicate discussions in separate workgroups.
32. During the kickoff meetings, the conference call-in line should not announce joining and exiting parties. Additionally, the lines for all callers should be systematically muted until the presenters are ready for questions from callers.
33. The MAC should consider assigning the same segment and workgroup leads for each segment to establish consistency. If the same leads cannot be assigned, then the MAC should have previous leads participate in meetings, plan development and issue resolution.
34. To reduce the risk of emails being returned to sender, the MAC should send separate emails or zip files when sending out large files for meetings.

Exhibit 8

Workload Transition Lessons Learned – January 2012 (Cont.)

35. The MAC should plan to provide a draft File Transfer Plan, including workload transfer inventory template either at the kickoff or very early in the implementation with a review period so all parties are clear and understand up front the expectations throughout the transition. The MAC may also want to distribute a questionnaire for each OGC to complete. The MAC may want to conduct a break-out session at the kickoff to discuss the expectations and include a representative from the MAC's document control department (to cover both hardcopy and electronic file transfers). It is important for the MAC to give clear instructions on how and when to transfer pending workload vs. completed work files.
36. Within the File and Record Transfer Plan, the MAC should request that the OGC prepare a master list of all boxed files being transferred to the MAC's on-site and off-site facilities. This will enable the MAC to understand what is contained within the boxes without having to open each box to ascertain if all documents needed were received. The MAC may also want to consider having onsite representation at the OGC to oversee the file transfers process.
37. For split workloads, it is important for the MAC to understand that the OGC cannot provide deliverables that either contain specific provider numbers or rely on statistics gathered by use of provider numbers until CMS has approved the list of providers for transfer to the MAC.
38. If an incoming workload needs to be split from one that will stay with an OGC/OMAC, all entities must work together to ensure the UAT, prod sim and cutover plans include all the necessary activities for all components of the split. All activities must be orchestrated in a way that places equal focus on each of the workloads and this focus must continue all the way through to the first few days after cutover. Early in the implementation, the EDC and SSM should coordinate and document a timeline schedule for the workload split. This schedule should be presented to all stakeholders for discussion and agreement.
39. The MAC needs to determine what the working relationship is between the OGC and their PSC. Early in the process the MAC should request a written explanation of the current relationship, monthly workload, workflow and systems/interfaces used. The relationship and work process varies from PSC to PSC and it is important for the MAC to determine how it varies from what they are used to.
40. The MAC should consider establishing a cutover workgroup to manage all cutover activities. This group should begin to meet several weeks prior to cutover. However, internal cutover planning would need to be started well in advance of the external cutover meetings since the internal cutover workgroup would be responsible for cutover planning and scheduling, developing the cutover plan, and facilitating data migration.

Exhibit 8

Workload Transition Lessons Learned – January 2012 (Cont.)

41. The cutover project plan should have a “freeze” date as well as version number to identify the most current version for review.
42. The MAC should consider having a standard agenda item to discuss lessons learned during jurisdiction status meetings and/or workgroup meetings so that lessons are documented soon after they are identified and that all stakeholders are in agreement.
43. For daily cutover calls, it would be best to use an ID access code rather than operator connection since there may be limited operator coverage especially for weekend cutover calls.
44. When using a documentation portal such as SharePoint for project information, the MAC should plan to distribute documents and training materials at the beginning of the project until access for all team members is available. This includes materials for the kickoff meeting. Access to the portal for all project team members (internal and external) should be available as soon as possible following the kickoff meeting.
45. To avoid duplication of efforts, the format (electronic vs. hardcopy) of deliverables should be decided upon early in the transition.
46. The MAC should include the COBC contractor, GHI (Jim Brady, JBrady@ehmedicare.com, 646-458-6682) in the project kickoff meeting as well as project status meetings. Once dark days and cycle schedules are finalized, the MAC should also consider scheduling a walkthrough call with the COBC contractor to ensure all details and timings are coordinated and understood.
47. During the kickoff meeting, the EDC should determine whether or not the MAC will need temporary environment access and update project schedule tasks to include the access request, tracking and verification if necessary.
48. When requesting approval for the payment floor drop, CMS requires the MAC to submit a comprehensive written plan that describes the reason, the process, the timing of the floor release and plans for communicating impacts to the providers.
49. When submitting post cutover workload reports to CMS, it is helpful for the MAC to provide an explanation for unusual circumstances which typically generate questions (i.e., negative inventories, high pending levels, low processed levels, etc.). This helps CMS with the interpretation of the data and avoids follow up questions.
50. The MAC should ensure the mailbox used for deliverables can accept large files in order to ensure deliverable submissions can be received.

Exhibit 8

Workload Transition Lessons Learned – January 2012 (Cont.)

51. Some MACs have found it beneficial to develop a cutover cycle schedule and include it as a tab in the cutover plan. This has proven to be very helpful in identifying key cutover activities such as cycle run times, dark days, pay forwards, PIP and pass-through payments, etc.

Communications

52. The OGC should provide the MAC with all available provider contact information in the event that the MAC needs to contact the providers prior to implementation.
53. To increase provider awareness of implementation information to the provider community, the MAC should consider sending letters to both the billing address and physical practice locations.
54. The MAC should coordinate education efforts with the OGC when educating providers on a partial split of workload from one contractor to another. In those situations where unique workloads are not moving with the home state workloads, education to those providers should occur as early as possible.
55. The MAC should launch their implementation website as soon as possible following the contract award. The website should provide current information on the implementation and give status updates throughout the process. It may also provide FAQs, display links to other Medicare informational sites, and discuss any changes that will occur at cutover.
56. A hyper-link to the MAC's website should be added to the OGC's website to provide a communication vehicle for providers and vendors that have questions related to the implementation.
57. Housing Part A, Part B and state-specific information separately on the website may allow easier navigation for providers.
58. To avoid confusion, payment cycle information that is supplied to providers should include the date the outgoing bank file is sent to the bank and the date that the funds will be distributed to the provider's account.
59. The MAC should obtain the OGC's email listserv subscriber file at the beginning of the implementation.
60. The MAC needs to notify providers early and frequently and reiterate the importance of using the new contractor number post cutover. In addition to listservs, teleconferences/seminars and the use of audit trail messages, the MAC should explore other venues to aid in communication so that the entire provider

Exhibit 8

Workload Transition Lessons Learned – January 2012 (Cont.)

population is aware of the upcoming implementation and any changes they may be required to make.

61. Communication to the provider community should be initiated immediately after the segment kick-off.
62. Communication to the provider community needs to be clear that the transition is not driven by date of service and involves the transfer of both pending and closed records.
63. Using a conference line with a moderator to mute/un-mute participant lines for Ask the Contractor Teleconferences (ACTs) offers a better experience for the presenters and participants.
64. The contractor should ensure that key transition information is distributed via listserv or website posting prior to conducting the first Ask the Contractor Teleconference (ACT). This will provide the audience with basic information before the teleconference and a written reference source for during and after the ACT.
65. The MAC should ensure that the OGC is aware, in advance, of all communications that the MAC issues to the provider community. This will ensure that the OGC can respond appropriately to any inquiries they might receive regarding MAC communications.
66. It is important that the MAC notify providers who rely on DDE or IVR to access eligibility status that they will not have this access during the dark days. In addition, the MAC should publish any alternative methods for obtaining Medicare eligibility during the dark days.
67. DDE providers who use the HIQA transactions to check provider eligibility need to be educated by the MAC to use the new individual state MAC contractor number for this function. This is especially important for those providers who accessed multiple dates under a single contractor number previously.
68. The MAC should consider creating webinars and/or internet tools to assist providers with problematic areas such as the IVR. For example, the process of converting letters to numbers via the IVR was a difficult concept for providers in a prior implementation.
69. With the issuance of JSM/TDL-09248 and the Do Not Forward directive, the MAC will need to be aggressive with their approach in collecting the CMS 588 forms from the OGC's active EFT recipients. The MAC should begin sending communications to the provider community at the start of the segment with firm

Exhibit 8

Workload Transition Lessons Learned – January 2012 (Cont.)

and precise language explaining that payments will be suspended if these forms are not received prior to the cutover date. In addition, workshops/teleconferences should be held frequently throughout the segment cutover to reiterate this information.

70. In situations where there are multiple workloads in a single CICS region, there should be early discussions about how the MAC plans to instruct submitters in the use of the contractor number (separate state contractor number or roll-up number) when they submit their claims.
71. In order to facilitate the timely release of provider communications related to dark day(s), last date to send EMC, etc., the MAC should consider developing a draft of the communication and seek advanced stakeholder/CMS approval so that as soon as the dark day approval is given, the communication can be released.

Claims Processing/Operations

72. When validating print files, the MAC should insure that a sample of the EMC files that are selected are for those providers set to receive hardcopy RAs.
73. Post cutover system reporting processes should be developed early in the implementation to allow for timeframes/expectations to be communicated and understood by all parties. This is especially important for cutovers that do not occur at month end.
74. A comparison of the CMS 1500 form billing instructions should be performed by the MAC and providers should be educated of any differences identified.
75. When entering quarterly reports in the CROWD system, the OGC should use the actual date that the reports cover rather than the quarter end dates.
76. The OGC should plan on working down inventories as much as possible prior to cutover. Incoming MACs and OGCs should be prepared for an increase in workload prior to cutover.
77. The OGC should provide weekly inventory reports to the MAC workgroups to allow the MAC to adequately monitor inventory fluctuations. The OGC should begin sharing workload reporting immediately after kickoff to allow work on contingency plans if necessary. The MAC's review of the OGC's pending workload is a critical measure. Questions from the MAC should be as detailed as possible since for example, asking the OGC of any unusual situations may not be explicit enough. What may not be defined as unusual to the OGC could be considered unusual to the MAC. The MAC should notify the OGCs' Regional

Exhibit 8

Workload Transition Lessons Learned – January 2012 (Cont.)

Offices of the contractor changes so they can send Tie-In Notices to the appropriate contractor.

78. If an OGC determines that processing instructions are proprietary, the MAC should assess the impacts and elevate issues as early in the implementation as possible.
79. The MAC should request the OGC to stop accepting provider enrollment applications early enough to allow ample time for the OGC to complete any updates prior to the transfer. This generally occurs 7-10 days prior to cutover.
80. The MAC should discuss all workload requirements and determine if the reports are from the standard system or site specific ad-hoc reports.
81. In order to prevent claim batches from being dropped during a split process, the MAC should ensure that none are left in an open status at cutover. Initialized batches which do not contain a provider number will be dropped during the split process. The MAC and OGC need to coordinate to get these batches re-initialized post cutover.
82. The MAC should have internal discussions early in the process to ensure that the OGC medical policy information is loaded in the claims processing system in order to correctly process claims received after cutover but which contain dates of service prior to the cutover.
83. The MAC should perform early analysis to identify any problems with location codes. Incorrect location codes carried over from the OGC's system could prevent ICNs/CCNs from appearing on the MAC's workload reports. In addition, waiting too long in the project to identify this type of problem may not allow the EDC the necessary time to systematically update/correct the system prior to cutover.
84. The MAC should ensure unique activities (e.g. procedure specialties/provider types and volumes) handled by the OGC are discussed during the kickoff meeting.
85. When scanning OCR work for entry into FISS, the MAC should ensure that FISS accepts the claim using the correct receipt date. During a previous implementation, an issue was discovered where FISS used the date of entry into the system as the receipt date. The MAC should test the process using a receipt date that will be earlier than the date it is accepted into the FISS test system to ensure it is assigning the correct receipt date.
86. MCS retains eight generations of purged history. The MAC will need to ensure the PSC/ZPIC is aware of this so they can plan accordingly.

Exhibit 8

Workload Transition Lessons Learned – January 2012 (Cont.)

87. When establishing new PTANs to replace duplicate PTANs, they must be created within the MCS DATAIN and not within PECOS. If they are mistakenly created in PECOS, the new PTAN will overlay the old PTAN in MCS and cause a system abend. Prior to cutover, the MAC should notify the impacted providers of their new PTAN number and should instruct the providers to begin using their new PTAN number at cutover.
88. Any written instructions regarding file inventories, crosswalk samples, or image retrieval processes that are provided to the MAC by the OGC should be disseminated to all operational workgroup leads so that there is a clear understanding and any questions or concerns can be discussed during scheduled workgroup calls.
89. The MAC should advise the RAC to use the MAC workload number and not the HIGLAS workload number when submitting adjustment files.
90. For HHH workload transitions, the MAC's understanding of provider based providers versus free standing providers early in a transition is beneficial. There are many unique considerations related to provider enrollment and EFT's that are impacted by the different provider types. The MAC should obtain a listing early in the transition (prior to requesting 588 forms) detailing which providers are free standing and which are provider based.

Financial

91. HIGLAS roundtrip testing and bank files testing should be performed simultaneously as both require special set ups in FISS, in HIGLAS, and at the bank.
92. The EDC needs to maintain back-ups of the bank clears files for the entire testing time frame. If the backups are not maintained for the entire testing timeframe, then this process may not be able to be fully validated during testing. The EDC needs to keep enough backups of the bank clears files in the event that testing isn't done for a month or more from when the clone occurred.
93. For Part A implementations, the MAC needs to discuss how to change from weekly to daily payment cycles early in the implementation so that whatever approach is taken, it can be thoroughly tested in production simulation.
94. The MAC should discuss all financial reporting requirements early in the implementation process to allow ample time for seeking clarification and to ensure that all parties clearly understand and agree to the expectations. In addition, the MAC and OGC should pay particular attention to the cutover date and the 'go live' date when determining the last financial cycle for the OGC. If it is determined that

Exhibit 8

Workload Transition Lessons Learned – January 2012 (Cont.)

the OGC's last financial cycle must occur a day or two prior to the last day of the month, considerations will need to be made to avoid having the OGC provide separate financial reporting for those days. The MAC, OGC and EDC also need to consider if any further financial activity will need to be captured within the monthly and quarterly reports for those remaining days and how it will be done. These discussions should take place during the UAT and production simulation builds to ensure any changes are tested prior to the execution of the cutover plan.

95. The MAC should immediately begin its efforts to obtain new EFT agreements.
96. The MAC will not be required to obtain new EFT agreements for their legacy workload as long as the MAC's bank does not change.
97. The MAC should manage EFT agreements for providers or suppliers undergoing a transition according to the instructions provided in JSM 09248. If the provider fails to submit a new CMS-588 form as required, the MAC shall place the provider in a "do not forward" (DNF) status. As a result of this JSM, it is extremely important that the EFT listing provided by the OGC is accurate and contains information for all provider types. The MAC should request the first EFT listing as soon as the transition activities begin and may want to request an updated listing from the OGC every two weeks thereafter to ensure all providers are accounted for and contacted prior to cutover. In addition, the listing should include the provider Tax ID number for accurate tracking of the group/group member EFT forms received.
98. It is the MAC's responsibility to release HPSA payments following the normal schedule rather than requesting the OGC to release the payments prior to cutover.
99. The MAC should ensure an adequate number of round trips are added to the HIGLAS ITT testing schedule. A small number of round trips to HIGLAS may not allow enough time if re-testing is needed. The plan should allow time for retesting (if needed) prior to the start of the cloning activities.
100. The dates of the cycles and inputs need to be considered to ensure the demand letters out of HIGLAS are dated correctly. The effort to manually correct the letters is labor intensive.
101. The MAC should include tasks on the project plan to provide the MAC with authorization and approval of temporary access to the old HIGLAS instance.
102. The MAC should ensure that HIGLAS accommodates two bank account numbers: one for the OGC and one for the incoming MAC, where appropriate. In addition, ensure that the appropriate bank account number(s) have been loaded into HIGLAS. When establishing a new bank account number and terming the old bank account number, do not overlay the old bank account number with the new one.

Exhibit 8

Workload Transition Lessons Learned – January 2012 (Cont.)

Both must remain on the file in order to process clears files. Ensure IBM understands that for the rename, bank account information needs to be set up as a new account, separate from the OGC close-out bank account.

103. When an OGC's Part A payment cycle is not performed on a daily basis, a decision needs to be made as to whether or not there will be a change to daily cycles. If changing to daily, provider notification should be done early in the process to alleviate the potential impact on the provider community. It is especially important that the MAC and the EDC determine the approach to the change early in the implementation and should take into consideration the frequency of the OGC's weekly payments (i.e., specific days of the week) in relation to the cutover schedule and when the first MAC payment will be issued. In addition, special consideration needs to be given on when the last financial cycle will be run to eliminate the need for the OGC to change their payment cycles prior to cutover.
104. After cutover, the MAC is responsible for notifying providers and beneficiaries of outstanding checks and the procedures for getting the stale dated checks reissued if requested.
105. For a Part A financial cycle change, the FSSFPINT VSAM file needs to be updated by the MAC. This task should be added to the cutover plan as a contractor/MAC task. Anytime there is a change in the financial cycle schedule, the flag needs to be evaluated. The flag indicates which day of the week the job would run.
106. The holiday/financial calendar should be addressed as part of the transition planning activity to avoid last minute updates to the cycle calendar schedule.
107. There is a two-step process to ensure that workload numbers are accepted in the POR system: 1) Contractor numbers must be changed in the POR system. 2) The POR system needs to recognize contractor staff under the correct contractor numbers.
108. The security access for loans agent and loans manager needs to be sent to IBM for additional set-ups that need to occur. This step needs to be included on the ITT mini plan, IPS checklist and cutover checklists.
109. It needs to be clear which entity is generating the financial reports. Identify early on what financial reports each contractor is expecting to receive and who will be generating the reports – i.e. EDC, IBM and contractor.
110. All supporting reports for the TROR and financial recon before and after a rename need to be run in detail, not only in the summary mode. The summary

Exhibit 8

Workload Transition Lessons Learned – January 2012 (Cont.)

reports work fine for the reconciliations; however, when there are differences later during the month to the baseline reports, the variances can only be found by looking at the detail reports.

111. TSC on-site support should occur when test cases are being worked. Recognizing it is difficult to time this on-site support due to unexpected delays one option may be to plan for TSC support to be on-site for day 2 of testing instead of day 1. This way if delays are discovered day 1, there is time for travel arrangements to be changed.
112. Validation of the Contractor Setup for the Bank vs. Contractor Holidays. When validating the fields on HIGLAS for the BR100 set-up, use the following in the determination:
 - Business Day field is unchecked for Federal Holidays (Bank Holiday) even if the Contractor is working that day.
 - When Contractor Holiday field has “Yes”, this means that HIGLAS outbounds are not processed.
 - When Contractor Holiday field has “No” or a Blank, this means that HIGLAS outbounds are processed.
113. The BR100 should be updated so that if there are fields that have pre-determined abbreviations being used by CMS/IBM, (i.e. the MAC name as JXXX instead of the company name) that the abbreviation logic be included. This way the document is only completed one time if possible.
114. It was an extremely cumbersome process for the OGC to get secure HIGLAS reports to the new MAC. Early on in process there was a decision made for the OGC to run reports needed by the new MAC in an effort to remove IBM from the process. However, this decision presented a challenge to the OGC and ultimately caused unnecessary delays during the IPS phase. The process was somewhat enhanced for cutover; however, still cumbersome. For future transitions, it was suggested that SecureZip be used to transfer reports between the OGC and the new MAC.
115. The MAC should ensure that the number of digits in the bank account number in HIGLAS and the shared system are in sync. When establishing a new bank account number from the BR100 document, the bank account number field length for Part B has a max of 17-digits, but it can be less as long as both HIGLAS and the shared system are in sync. If they are not in sync, then the payments will error.
116. When changing from a weekly payer to a daily payer, the MAC should run a final FISS financial cycle on the last day of the month to capture all monthly financial

Exhibit 8

Workload Transition Lessons Learned – January 2012 (Cont.)

data from the old regions. The PINT file should be set with a 'Y' on the same day of the week that the cycle is run and the 'delay days' should be set to '0'.

117. The incoming and outgoing contractors should have discussions early on regarding the transfer of debt (i.e., disposition and method of transfer) as well as the records/files/images necessary to validate the debts.
118. When requesting the listing of transitioning EFT providers from an outgoing contractor, the MAC should confirm that the listing includes only those providers in the transitioning workloads and/or contract number since there could be some providers (e.g. FQHC) within those states that are remaining with the legacy contractor.
119. In order to avoid delays in the validation process, IBM should ensure that the 1099 jobs are not scheduled to take place during the PRD1 back-up process since these jobs are disabled during that time.
120. Financial integrity reports that are run before and after split/rename activities should be run with 'as of' dates equivalent to the end of the month to ensure all future dated activities are accounted for in the reconciliation process. If month end dates are not used, some transactions will cause an out of balance.
121. If the workloads within one HIGLAS org are handled by more than one EDC, the MAC, Outgoing Contractor, and HIGLAS must work together to ensure that the EDC not directly involved with the transition, is informed early in the process so that cycle times for all workloads can be synchronized and any pay forward and/or dark day activity that may be needed for the non-transitioning workload(s) can be coordinated.
122. If bank changes are necessary in Part B HIGLAS implementations, additional SPITABs need to be loaded into the MAC's environment in order to allow outstanding checks to clear after cutover. A task should be included on the HIGLAS cutover checklist for the validation of the new banking table SPITABs.

Resources/Infrastructure

123. The MAC should allow ample time for the complete installation of T1 line(s) taking into consideration that the installation involves working with multiple vendors such as local phone company, AT&T, etc.

Exhibit 8

Workload Transition Lessons Learned – January 2012 (Cont.)

Systems/EDI

124. The MAC should confirm with CWF the number of workloads in each CICS region and ensure that the MAC workload numbers to be used are clearly identified. If there is more than one workload, CWF needs to account for that.
125. In any MAC implementation where the split/merge software is used to set up a new Part B CICS region, the effective date of the cutover needs to be a Saturday date. This will give the CWF maintainer ample time to perform the necessary tasks over the weekend in order for cycles to run on Saturday and Sunday if necessary.
126. There is a limit to the number of BSIs that can be tied to one contractor number. FISS currently allows up to six. Previously, CMS made the decision to utilize only one BSI for the RHHI workload. However, this may need to be readdressed for future RHHI implementations since FISS base system changes would need to be made to allow more than six.
127. Although the ELGS file contains the contractor number, this file is not converted during the FISS MAC conversion process. To accommodate this, a program was created to update the contractor number for each workload. CMS must approve running this file each time since it involves overwriting a base file. After running this job, the 'Date Created' and 'Last Updated' fields will contain incorrect dates; however, those dates do not impact processing.
128. The MAC, OGC, and the EDC need to work closely together regarding changes that impact DDE providers. When establishing a new region, it is imperative that the removal and addition of the application are coordinated through the EDC to ensure that there are no negative impacts to providers attempting to access the existing region.
129. When a Part B workload is being split from the OGC's current workload, the MAC should begin early discussions on the end of life process with the OGC, EDC and MCS maintainer. They must work together to determine how the payment floor drop will occur, the number of dark days needed, how financial reporting will occur and whether EMC processing will occur up through the day before cutover or whether EMC should be held for several days and processed in the first MAC cycle.
130. When using the Part B MCS split-merge software to split workloads between the MAC and the OGC, there should be enough time allotted within the segment cutover to allow for a UAT build and testing and a production simulation.

Exhibit 8

Workload Transition Lessons Learned – January 2012 (Cont.)

131. The MAC should ensure that the bank is prepared for sending and receiving files for the new merged region by testing and confirming that they have the correct account information, bank file formats, file locations and data set names.
132. If an implementation occurs on a non-quarter-end date, the MAC should work with the OGC and the EDC to determine whether a quarterly cycle needs to run as part of the close-out cycle. Analysis needs to be performed by the MAC and OGC to determine which reports are needed and the EDC needs to determine what changes or updates are needed in order to accomplish this.
133. The MAC should test processes related to encryption software as early as possible with the OGC to ensure the versions are compatible.
134. Requests for access to the OGC's systems need to go through the OGC and should not be sent directly to the EDC.
135. To ensure a smooth transition of a split workload, the MAC should coordinate with the OGC and current data center(s) to obtain system access in both environments.
136. For split workloads, the MAC should have measures in place to prevent submitters from sending claims for those workload types that the OGC retains (i.e. Home Health). It would be beneficial for the MAC to add a task to the cutover plan to remove the appropriate submitter IDs from the Operator Control File for DDE submitters.
137. Before copying files, the EDC should ensure all release conversions are in place for those files being copied.
138. The FISS maintainer should ensure that all GINS are fully addressed and that any long-term solutions are determined before the GINS are closed.
139. In situations where history files are not in the current FISS file formats, the EDC should ensure that the OGC's data center understands the requirement to convert all data to current FISS formats prior to transferring the data to the EDC.
140. The FISS maintainer should develop and submit written documentation when they distribute utilities and releases. There were questions that could have been avoided had there been written documentation for the split exception files.
141. The discussion of handling exception files should occur with each implementation where the FISS split/merge software is utilized. This includes merges only since merges also require that the split jobs be run. CMS has suggested that at each

Exhibit 8

Workload Transition Lessons Learned – January 2012 (Cont.)

applicable kickoff meeting, a topic be added to the agenda to discuss handling of exception files and further suggested that a separate meeting be scheduled to discuss exception files similar to meetings to discuss interfaces. When the determinations on how to handle these are made, the MAC and OGC should consult with the FISS maintainer to confirm appropriateness. Once a final decision is reached, the MAC and OGC should work with the EDC to get these records converted to the correct contractor number and reloaded.

142. For split workloads, decisions regarding special processing need to be made early in the process and tested during production simulation in order to avoid problems and/or delays during production cutover.
143. To avoid an out-of-sync situation, the weekly maintenance utility (DCNS rebuild process) should be run to sync the files prior to running the split jobs. This will ensure that the numbers on the SNAP report can be validated.
144. The MAC should consider running daily payment cycles for user acceptance testing (UAT) for any segments that are on a weekly production payment cycle. This will provide timely turnaround for financial testing.
145. The requirements for the hand-off of the payments between the OGC and the MAC should be clearly defined in advance of the MAC implementation for daily and weekly payment cycles.
146. The MAC should verify whether or not the OGC uses a conversion program or other contractor-specific bank interface.
147. The MAC must identify their site-specific needs in advance of the MAC implementation start date and determine who will be responsible for implementing and maintaining the site-specific software.
148. The MAC must develop their implementation schedule with enough time built in to identify and address their site-specific requests so that all requirements can be developed, installed and tested before cutover.
149. When splitting workload, contractors need to identify and account for all providers, including active and terminated, so that the appropriate active and archived history records get transferred and are removed from the retained workload.
150. The MAC should develop a master list of all interfaces and a unique template for documenting each interface. The template should include the interface requirements, file names and a single point of contact from each contractor.

Exhibit 8

Workload Transition Lessons Learned – January 2012 (Cont.)

Templates should only be completed for those interfaces that are being changed or added to the existing environment. This should be done as early as possible to ensure effective use of technical resources and allow adequate time for testing.

151. The MAC should put a process in place in order to verify that all appropriate staff members have access to CAFM, CROWD, PECOS, etc. under the new contractor numbers. CMS is unable to provide written notifications to the MAC when security requests are completed.
152. It is recommended that the MAC maintains separate interface requirement documents for Part A and Part B processing for each impacted data center.
153. The MAC should provide project stakeholders with their overall plans for completing testing, including the basics of who, what, when, where (which environments, and with which external entities), etc. The roles and responsibilities for testing should be clearly defined and communicated to all involved parties. Issues should be elevated where an OGC requires assistance from the MAC to complete testing.
154. The SSM and the EDC should define and implement controls to ensure security updates occur in the appropriate region and files are loaded to the appropriate region.
155. A final verification of the list of copy jobs should be performed to ensure that everything that needs to get into a particular region is listed.
156. The MAC and EDC need to mutually agree upon the specific files, jobs, or reports that the MAC expects the EDC to run or validate.
157. The MAC should work closely with the SSM to ensure all necessary steps for SPITAB copies and updates are clearly defined. In addition, controls need to be put into place to prevent SPITAB file data from getting overlaid or inappropriately loaded.
158. The EDC should ensure that procedures are in place to prohibit the incoming MAC from overlaying any production files prior to cutover (i.e. production SPITABs).
159. The MAC needs to ensure all SPITAB tables are updated based on the specifics of the transition and they should validate those changes during UAT and production simulation. In a previous implementation, the MAC wasn't able to view their bank file online post cutover due to the incorrect Bank Account ID on a SPITAB table which limited their ability to complete their validation.

Exhibit 8

Workload Transition Lessons Learned – January 2012 (Cont.)

160. The MAC should thoroughly verify the Criteria file, C series reports, SPITAB tables, etc., to avoid last minute changes. The MCS maintainer can develop a list to provide to the MAC on problematic areas to review based on their experience from previous transitions.
161. The MAC needs to research the values for locations, edits/audits, etc. that they are inheriting from the outgoing carrier to determine what they want to change. This needs to be done early in the transition so these crosswalks can be tested and validated during UAT and production simulation.
162. Issues discovered during testing should be communicated as soon as they are identified. This should allow the EDC time to resolve the issues prior to production cutover.
163. While transferring data from one data center to another, the parties involved should allow for flexibility in scheduling checkout as it may be difficult to predict when the system will be available.
164. Any unique processes related to multi-state processing need to be identified and the conversion software needs to account for this as well.
165. The EDC needs to run the appropriate conversion jobs to change the contractor number within the check cross reference file.
166. The EDC must ensure that the required job scheduling is made so that the 835 file from HIGLAS is included within the batch cycle and payments are made appropriately.
167. In order to avoid possible delays, the EDC should verify that the scheduling request is complete in enough time to convert the cycle from manual to automatic.
168. The MAC should validate that appropriate staff have test and production access to CA-View for each segment cutover.
169. The MAC should develop plans to ensure that edit/audit coding updates and testing associated with LCD consolidation are complete prior to cutover.
170. For multi-state workloads running in a single CICS region, FISS will only accept rollup number as input from EDI submitters. There is software to split files and separate by state contractor numbers in FISS, however, the MAC needs to confirm with the FISS Maintainer that all interfaces are covered to ensure that Part A state breakouts will be addressed by the FISS system.

Exhibit 8

Workload Transition Lessons Learned – January 2012 (Cont.)

171. The MAC, the SSM and EDC need to work together closely to ensure that all of the proper steps are identified for the closeout cycle to ensure that 1099 files are properly generated for the OGC.
172. The MAC should ensure that the Criteria file regions match the OGC's Criteria file regions to avoid an out-of-balance between the OGC's outgoing workload volume and the MAC's incoming workload volume.
173. Once dark days and cycle schedules are finalized, the MAC should hold a walkthrough call with the CWF host and the EDC to ensure all details and timings are agreed upon during the cutover weekend. The host generally receives instructions from CMS through the maintainer. These instructions do not contain specific details (such as dark days) to properly plan for the cutover weekend and timings related to changing the contractor numbers.
174. For the MAC implementation with a simultaneous EDC transition, the encryption waiver only applies during production simulation and cutover. If there is a situation where data would need to be transferred during a MAC transition production simulation or cutover, the encryption waiver would also apply. The encryption waiver would not apply to the transfer of files from the OGC to the MAC to support daily operations, such as the transfer of imaged files or print files. The purpose of the waiver is to handle situations where there is insufficient time (i.e. hours rather than days or weeks) to do the encryption. However, this data will be transferred via NDM, which is an approved, secure communication protocol. The encryption requirement applies regardless of the data media type, format, channel, etc. All data containing PHI, PII, etc. that leaves the physical data center building must be encrypted.
175. The MAC should ensure that the Operator Control File/ DDE logons transferred at cutover have a match on the RACF report. In addition, the MAC may need to communicate with providers to ensure logon IDs transferred at cutover are established in accordance with CMS instructions and are unique to an individual.
176. To ensure external DDE users have timely access, the MAC should submit security requests for all users as soon as possible. Early testing by external users can be helpful in assessing if there is an access issue.
177. In order to eliminate confusion for those providers that do not submit claims directly to the MAC, the MAC may want to consider developing EDI communication based on the multiple types of recipients (i.e., trading partners, vendors, and providers).

Exhibit 8

Workload Transition Lessons Learned – January 2012 (Cont.)

178. Early discussion between the MAC and EDC should occur to determine base setup for UAT and CA-View. For example, the EDC should discuss plans with the MAC prior to setting up CA-View to ensure there isn't coding being done that will need to be removed.
179. To ensure that key MAC personnel have system accesses that they need to perform analysis and/or maintenance, MAC project plans should include a task to establish security authorization by transferring the existing staff RACF group to the new MAC RACF group or by loading RACF groups based on mass user request spreadsheet submitted by MAC
180. Early set-up and testing is recommended when setting up MCSDT for a new site. There have been problems with prior implementations where the MAC was unable to set up MCSDT in their current environment.
181. The EDC should confirm that the base system and contractor conversion releases are in sync. If they are not in sync, this can cause files to not be properly converted by the CCP process.
182. During cutover planning, the MAC should discuss with the EDC the possible need for increasing the CWF recycling factor to reduce the risk of duplicate claims posting in CWF after cutover.
183. In order to minimize manual work effort, the MAC may want to consider copying their end of year maintenance performed in the OGC's Title XVIII UAT region into the new MAC UAT region. CMS should be consulted for approval to do this.
184. The MAC needs to be aware that only NPI connectivity can be tested prior to cutover.
185. Remittance testing should be performed early to ensure submitter configuration. In addition, HPTP testing should be done early.
186. Ensure the MAC contractor data center has file triggers in place before first cycles of UAT, production simulation, and production cutover.
187. The MAC or the EDC should schedule and conduct daily meetings during UAT to review the status of tasks on the UAT cutover schedule.
188. To avoid any unexpected delays and unnecessary research, all jobs identified in the MCS MAC CCP process document need to be executed during UAT, prod sim and cutover, unless otherwise noted in the document.

Exhibit 8

Workload Transition Lessons Learned – January 2012 (Cont.)

189. To ensure a large number of historic system reports are not being transferred unnecessarily, the MAC and OGC should perform analysis to identify required reports/data needed. This process may minimize the volume of required NDM transmissions.
190. To ensure a successful transition, ample time will need to be given for the MAC and MCS Maintainer to complete their verification during all testing phases (dry runs, UAT and production simulation) and cutover. As a level set, some MACs have taken 1-2 days to validate their UAT and production simulation, MCS extracts and/or conversions before giving the go-ahead to proceed.
191. The MCS National Abstract File Requirements document needs to be reviewed and understood by the MAC and EDC to ensure all steps are followed based on the specifics of the transition. In addition, tasks for the ‘buddy’ file should be added to the plans.
192. During UAT and production simulation, the MAC/legacy carrier needs to review/validate all the duplicate reports to address whether a crosswalk is needed or if the record can be manually deleted or corrected prior to cutover.
193. In a previous implementation, a problem occurred post-cutover regarding electronic remittance advices that needed to be sent back to the OGC because their corporate EDI area continued to provide EDI clearinghouse services. If the OGC will continue to provide clearinghouse services, a thorough review of remittance set-ups within the FISS financial master file should be done to uncover any anomalies.
194. The EDC will need to address the current emulators that are allowed into the data center by all third party networks that support provider DDE access.
195. The MAC had difficulty in getting FISS and the EDC to provide various report IDs prior to cutover. Since the MAC process did not use MEDATRAN the claims take a different flow and therefore different reports are used to track data. Implementing a questionnaire on the front end would avoid these issues in future transitions.
196. Utilizing existing UAT environments to test the crosswalk-HIGLAS job renumbering changes and HIGLAS transmissions is very advantageous. It allows testing to occur in an already established, stable environment with minimal changes.
197. For ITT, if a new FISS testing region is created, tasks should be included in the mini plan to cover the copying of the operator control file and to specify when and

Exhibit 8

Workload Transition Lessons Learned – January 2012 (Cont.)

where the copying will occur. If the operator control file is not copied for the new MAC, then only the old org staff will be able to access the region for testing.

198. For ITT, if a new FISS testing region is created, both the new MAC and the old org need to be aware of the high level qualifier established at the EDC in order to set up the sweeps process. Without the high level qualifier, the sweeps process cannot be established.
199. For ITT, if a new FISS testing region is created, discussions need to be held right away on what parties are to gain access to what environments.
200. When Part B system tables are modified, the MAC should work with the MCS maintainer to incorporate a quality review of SPITABs, DATAINs, PARMs, etc.
201. The EDC and the MCS maintainer should perform a quality review to confirm setup of the maintainer's access to the temporary environment.
202. The EDC should consult the MCS maintainer when establishing the timeframes for running the second UAT. The first UAT should allow sufficient time for the MCS maintainer to review UAT data so that the jobs will not have to be re-run.
203. The contractor should review the Part B DC10 reports after each UAT and prod sim initialization cycle to ensure there are no issues with activations or location transfers. In addition, the contractor should continue to review these reports daily during UAT and prod sim to ensure there are no issues for activations, location moves or location transfers, while testing is occurring.
204. The ECRS helpdesk is operational from 8:00 a.m. to 8:00 p.m. (EST), excluding weekends and holidays. The number is (646) 458-6740. Questions or issues should be forwarded to the COBC using the email address ECRSHELP@ehmedicare.com.
205. The EMC roll up number is only used for FISS processing and not used outside of FISS. No changes are needed in the submission of EMC claims or 837 transactions.
206. MEDATRAN contains logic that checks for duplicate claim submissions. Therefore claims that have already been run through MEDATRAN cannot successfully be run through again without intervention.
207. Security access and TPX menu changes should be requested and validated in advance of the date of when they are needed.

Exhibit 8

Workload Transition Lessons Learned – January 2012 (Cont.)

208. In Part A implementations that involve multiple regions with multiple workloads and separate state contract numbers, discussions should occur early in the implementation between the stakeholders (e.g., MAC, FISS, CMS, etc.) on whether these workloads can be sent to the same CWF host, if one will need to be sent to an out of service area host site, or if a new site will be created.
209. The MAC, EDC and SSM should discuss pending software fixes awaiting implementation prior to cutover to ensure any workarounds can be added to the cutover plan.
210. If an implementation begins after the annual pricing update, ensure Fee Screen Years files are rolled into both UAT and Prod regions. Verify this by comparing the record counts on the MPFSDB, AMB and Abstract History Files. UAT and PROD should match.
211. The process to update a PCF file daily is part of the MCS base system; however, the MAC must obtain approval from CMS for the non-base job that creates a daily copy of the file for the EDC to send to MCS.
212. The OGC should complete a balancing report to ensure that all of the submitter IDs are included on the files prior to them sending it to the EDC to set up RACF security for DDE access in the new MAC region. Reconciliation of the report to the actual record count on the file would identify potential issues.
213. For HIGLAS testing, tasks should be added to the plan to include loading the base release to the SPITAB region so that the MCS production simulation environment is compatible with the IBM UAT region. This will also prevent abends from occurring.
214. In order to avoid connectivity issues which could result in system outages, the Part A work instructions and cutover checklist should include a task to check the HIMRHOST CWF connections within the CICS region prior to cutover.
215. To resolve discrepancies that occur after cutover involving the pending inventory on the 2592 report vs. MCS, the MAC can request that the SSM manually run the RC25 job which removes incorrect ICNs/CCNs from the 2592 file. Even though the MAC software rejects these ICNs/CCNs during conversion, they remain on the 2592 file. There are two causes for this discrepancy:
- The MAC software automatically deletes any pending claims or correspondence that is more than 3 years old since they should not be brought in as new-day inventory and;
 - Correspondence that is in a pending activation location has to be rejected because it cannot be brought in as new-day inventory.

Exhibit 8

Workload Transition Lessons Learned – January 2012 (Cont.)

The RC25 uses a DATAIN populated with the ICNs/CCNs to remove them. HP is currently researching a potential solution that will allow the MAC software to automatically run this RC25 process as part of the MAC transition.

216. In MCS, no-pay checks remain on the BANKHIST file until they meet the SPITAB purged days and are subsequently purged. Therefore, the checks will remain a 00 status and cannot be changed to a 02 (outstanding) status until they are purged from the online file after a month.
217. MACs should use a TSO utility to copy DATAIN members from the Dry Run, UAT, and production simulation environments to ensure the configuration of DATAIN members are consistent between environments.
218. When using an outgoing contractor's file(s), such as the reason code file, the MAC and OGC must establish protocols to determine how the files will be kept in sync from the time that they are copied until production cutover.
219. The MAC should ensure the security settings are set to match the outgoing contractor's previous settings. In a previous implementation, there was an issue with the default value set in the security file that prevented providers from being able to obtain eligibility information using the "ELGH" online transaction.
220. The MAC should ensure that all SPITABs are setup to run as the appropriate state number in the test, production simulation and production environments to avoid an incorrect state code that would prevent the MAC from receiving the appropriate financial and print output in the prod simulation region.
221. The MAC needs to identify and confirm with EDI vendors any recent or upcoming changes that need to be communicated to the impacted providers in advance of the production cutover (e.g., login screen changes, etc.).

Cutover/Workload Transfer

222. The MAC should review the *A/B MAC Cutover and Workload Transfer Planning Document* at the start of the cutover planning process.
223. A cutover simulation should be conducted prior to cutover to ensure that all NDM jobs are identified and all associated programming changes are completed at the time of cutover. Conducting a cutover simulation, may detect and correct problems that could be encountered during implementation (e.g. bank file issues, check printing issue, 835 generation, HPTP, etc).

Exhibit 8

Workload Transition Lessons Learned – January 2012 (Cont.)

224. The use of buffalo drives and secure FTP to transfer electronic data may be a viable solution depending upon the scale of data transition. It also eliminates the need for encryption software.
225. Special considerations, such as short term MOUs, around the transfer of pending workload and historic records need to be made early in the process when there are situations where the workload and historic records are commingled.
226. The Business Partner Systems Security Manual was revised and the transfer of electronic data via email is now allowed as long as it is properly encrypted (refer to Section 5.0 at <http://www.cms.hhs.gov/transmittals/downloads/R9SS.pdf>). The revised section states (in part) "business partners may now use the Internet to transmit sensitive information via encrypted attachments in accordance with all applicable CSRs".
227. Weekends are the best time to conduct cutover simulations. The implementation project plans should include two cutover simulations. The second simulation can be optional if no problems are discovered during the first simulation. Both simulations should occur early enough to allow time to resolve problems prior to cutover. Cutover simulations should occur in test regions that best reflect the production regions.
228. When no cutover simulation is being conducted, it is recommended that thorough end-to-end testing be completed to ensure that all NDM jobs are identified and all associated programming changes and triggers are in place and completed at the time of cutover. Conducting end-to-end testing may detect and correct problems that could be encountered during implementation (e.g. bank file issues, check printing issues, 835 generation etc.). End-to-end testing is critical for EDI transactions.
229. The MAC should ensure that files are received and processed properly through HPTP or the PCF, into FISS or MCS and ERAs/RAs are produced and distributed. This testing should occur early enough to allow time to resolve any problems that could be encountered.
230. All project stakeholders should begin cutover planning at the start of the implementation. As the owner of the cutover plan, the MAC must initiate the planning process and involve all stakeholders in meetings to review requirements and provide input to their assigned tasks. The OGC should identify all areas where additional site specific support may be required.
231. When scheduling daily cutover calls, differences in time zones should be accounted for. In addition, the calls should be scheduled at a time that gives staff

Exhibit 8

Workload Transition Lessons Learned – January 2012 (Cont.)

ample time to complete tasks prior to the call. Notifications of the daily cutover calls should be sent several days in advance of the first call to ensure that everyone is notified and prepared to attend.

232. An updated cutover plan should be issued several days in advance of the first daily meeting with clear instructions to all stakeholders that they should be prepared to report on all tasks scheduled to be completed prior to the first daily call. Additionally, the cutover plan should be updated after each call and distributed promptly so everyone has the opportunity to review it before the next call.
233. A cutover issues/action item list should be developed. The issues/action items list should be updated after each call and distributed promptly.
234. Issue escalation procedures and contact information for the cutover should be created and distributed in advance of the cutover weekend.
235. Each task on the cutover plan should list an assigned individual's name. The individuals assigned to tasks need to clearly understand what is expected of them and how to carry the tasks out.
236. The EDC tasks related to production cutover should be clearly defined and laid out in the cutover plan at the time the plan is developed. The plan should include the EDC tasks for the entire length of the cutover period. If there are specific files, jobs or reports that the MAC expects the EDC to verify on a daily basis, they should be detailed on the plan. In addition, the EDC needs to ensure that all tasks on their template are identified on the MAC's production cutover plan.
237. Prior to cutover, the MAC should compile baseline statistics for incoming documents, claims processed, payments issued (hardcopy and electronic) so that they can easily validate that the appropriate volumes are being received and generated out of the first cycles following cutover (e.g. paper remittances, hard copy checks issued, EFT payments issued, claims received, etc.) This could prevent unnecessary research and trouble-shooting efforts.
238. The MAC should plan to complete validation and testing as early as possible during cutover weekend in order to take maximum advantage of time to fix and retest problems that may arise.
239. The standard system maintainer should have a representative on-call to assist with questions or issues during the cutover weekend.
240. EDC and MAC security staff should be available for quick resolution of security issues during cutover weekend.

Exhibit 8

Workload Transition Lessons Learned – January 2012 (Cont.)

241. The MAC should provide thorough and timely status updates via email and/or by hotline number during both the cutover weekend and a few days beyond.
242. It is the OGC's responsibility to ensure that boxes containing data to be transferred to the MAC are in suitable condition for shipment.
243. The OGC should have a representative available during the cutover weekend and for several days following the cutover. This representative should either participate in the cutover calls or be on-call for to assist with questions.
244. For any accelerated implementation schedule, the cutover planning process should begin immediately.
245. The MAC should establish a process to fully test the receipt of imaged files for each work type so they can thoroughly prepare for what will be received. Sample files should be large enough to cover a good cross section of the workload.
246. When applicable, the MAC should encourage the OGC to begin the copying of image files for completed work well in advance of the cutover period. The OGC should not underestimate the level of effort and resources needed to complete this task. The OGC should confirm that it can transfer the image files for pending work as soon as possible following cutover.
247. The MAC should contact the peripheral system maintainers (NGD, NPI, CERT, CWF, PECOS, COBC, etc.) early in the week preceding the cutover date to ensure they will be ready for day one. With each implementation there are new questions and issues that could have been identified and resolved sooner or even prevented had there been more frequent communication/coordination between the MAC and the entities responsible for the interfaces/peripheral systems.
248. The MAC should confirm HIMR availability during cutover weekend so that testing can be completed as scheduled.
249. The COBC has a form that must be completed in order for GHI to make the COBC file changes from the OGC to the new MAC. This form must be completed early enough to allow time for the changes to be made.
250. If the MAC and the OGC are sharing the UAT region up to cutover, the MAC should work with the OGC well in advance of the cutover to determine the date the MAC will be granted access to the test region and to establish clear roles and responsibilities for operating in a shared test region.

Exhibit 8

Workload Transition Lessons Learned – January 2012 (Cont.)

251. The MAC should work with the IVR vendor to make changes as soon as possible. The IVR should be thoroughly tested and validated during the cutover weekend.
252. For a multi-state MAC workload, the contractor conversion process needs to run prior to bringing in the NPI files from Maricom. Otherwise, the system will default to a single state combining the workload to the same default contractor ID number.
253. During several MAC implementations, certain records were not systematically moved to the new contractor number. To ensure this does not reoccur, the MAC needs to ensure that the NPI crosswalk maintainer, Maricom, will systematically crosswalk the NPI forced matches so that no records are dropped.
254. During the first 6 months following the cutover, the MAC must have the capability of receiving two bank clears files per cycle (one from the OGC and one from the MAC). A procedure needs to be established between the MAC and the OGC and coordinated through the EDC.
255. CMS released clarification regarding the process for handling misdirected checks post cutover. Those contractors remaining in the program are to follow the IOM instructions to continue cashing any misdirected checks and issue a new check to the MAC.
256. The OGC needs to examine the cutover plan in detail so that any concerns or questions related to tasks, dates, etc. can be identified and clarified prior to the actual cutover period.
257. The MAC and OGC should discuss the file and record transfer plan early in the cutover process to allow the OGC ample time to seek clarification and prepare files according to the MAC's instructions. In addition, The MAC and OGC should determine the methods and media for electronic data transfer early in the process and learn what is acceptable to CMS.
258. The MAC should request a detailed list of the records (electronic and paper) that the OGC intends to transfer to the MAC as early as possible. This will help the MAC understand what to expect and the magnitude of the transfer.
259. The MAC should establish a labeling and numbering protocol for the boxes containing paper files to aid in efficient file transfer.
260. Following cutover, the EDC should verify that all applicable NDMs are turned off for the OGC. This will prevent the situation where duplicate files were NDM'd to the MAC and to the OGC post cutover from occurring.

Exhibit 8

Workload Transition Lessons Learned – January 2012 (Cont.)

261. The EDC should verify the appropriate generations of the data sets are transmitted to the MAC in order to prevent situations like incorrect contractor and submitter numbers on the ERAs.
262. The MAC should ensure that OGC system access is removed after the cutover and that provider access for DDE remains in-tact.
263. The MAC should ensure that reports are viewable in CA-View and contain complete data on day one in order to resolve any issues without impacting production and reporting.
264. The MAC should ensure all entities, (i.e., the EDC, HIGLAS and System Maintainers) understand that the cutover planning must start early and that each entity is responsible for providing input. They must work together to ensure all aspects of the cutover simulation plans align as appropriate. This process should begin as early as possible after the segment kickoff.
265. The PECOS contractor number changes need to be made following the last EDC batch cycle under the old contractor number but before the next files are created in PECOS.
266. Some records within the COB file contained the old OGC contractor number and resulted in rejection of the file from the COBC. The EDC provided a temporary fix to ensure files are sent with the correct new contractor number. FISS is working on a solution to prevent this from happening in future MAC implementations.
267. During post cutover calls, the MAC should be prepared to provide counts for total EMC received and rejected along with the top 5 reasons for rejection.
268. For implementations that involve a split workload, CWF should be informed by CMS to send the dropped OSA responses to both regions (MAC and OGC). If CWF is not informed of this, the file will be sent only to the MAC region since this is the default for the old OGC contractor number. In addition, the MAC needs to notify CMS when to submit the request to CWF.
269. The incoming MAC needs to understand that PIP claims do not get picked up on the post rename 835 file. Therefore, a task should be added to the HIGLAS checklist for IBM to provide a list of the No Pay (PIP) claims that are not yet sent back on the 835 interface file.
270. BR100 validation process must be clearly defined to avoid confusion regarding necessary steps/order of events. In a previous implementation, the checklist tasks related to sending of HIGLAS conversion reports did not specify method of

Exhibit 8

Workload Transition Lessons Learned – January 2012 (Cont.)

delivery. This caused unnecessary confusion to OGC/MAC in regard to how reports were to be received. Specific information should be incorporated directly into checklist regarding method of transmission (i.e., email, NDM to datasets, etc.).

271. Discussions need to be held early on for the timing of any shared system releases that may impact the transition, so that all parties are aware.
272. The cutover check-list needs to be comprehensive and should be updated for tasks that are identified even late in the process to ensure that all parties concerned are aware of the responsibilities.
273. In a prior implementation, the 1099 report was unable to be run during cutover weekend which delayed the completion of the renaming. At that time, IBM determined that there was a rule defined, back in 2006, prohibiting the 1099 request sets from being run between 3pm Saturday to 7am Sunday. In 2011, IBM revisited this and confirmed that the 1099 report can be run on a weekend.
274. For HIGLAS workloads where outstanding checks are being converted, the 1099 report must be run before split/merge activities begin.
275. The MCS Data Prep CONVRJMK job needed some changes to reduce the OGC's review effort. It was discovered that the only items reported as getting updated in MCS were all stale dates, created by HIGLAS. This is due to the timing of this process. MCS has plans to update the CONVRJMK job to include the Bank History File when determining if checks exist on the MCS bank files. This should be confirmed with MCS.
276. The OGC should be involved in the ITT process even in cases where just a rename is occurring.
277. The responsible party for generating lists of beneficiaries and providers in the HIGLAS old org should not be changed between ITT and IPS phases. In one case, IBM ran reports in ITT, but the OGC was required to run reports during IPS due to the set up on the EDC's side which required the format of the report be different than the format that was provided by IBM during ITT. It was later decided to assign these tasks to IBM since the OGC did not have the criteria needed to run these queries and required assistance from TSC/IBM. For future transitions, IBM should be responsible for running listings of all beneficiaries and providers in the old organization.
278. Establishing the clone dates for both HIGLAS and the EDC needs to be done early. If the clone dates are not determined early and outlined correctly in the

Exhibit 8

Workload Transition Lessons Learned – January 2012 (Cont.)

project plan, it can cause delays and miscommunication between the various parties involved.

279. All parties must agree on the timing of the last workload split to ensure the production cutover checklist reflects the agreed upon time.
280. For HIGLAS workloads, the HIGLAS cutover check list should include information regarding the EDC IPL if it is scheduled the weekend of production simulation or cutover.
281. When there is a workload split, there may be instances where the MAC obtaining the new HIGLAS org may still need the historical data that is retained only in the existing org. Prior to requesting access through the CMS EUA system, approval from the contractor responsible for the org should be obtained, so they are aware of any staff that will have access to the data and what accesses they will have.
282. Early in the transition, the MAC needs information regarding how the OGC is using the provider option and AR codes. This information should be compared with the new MAC set-up since differences in option codes/AR codes have the potential to cause payment issues. In addition, analysis needs to occur to allow sufficient time for the MAC to perform maintenance and/or the EDC to systematically update the system prior to cutover. Not converting the data prior to cutover may result in provider under/overpayments when there is a difference in the payment amounts (e.g., par provider versus non-par provider).
283. All file problems during the conversion process need to be handled on a priority basis. The EDC should not assume file problems have no impact without discussing with the MAC.
284. Time estimates on the cutover plan should be developed using month end cycles rather than daily cycles. In addition, the EDC needs to coordinate with the base production support team to determine the time required and incorporate this into the plan.
285. The MAC may want to consider incorporating the tracking of any outstanding deliverables at the time of cutover into the Cutover Plan enabling them to use one document for tracking.
286. The MAC will need to complete CMS access requests for each segment prior to the cutover. The CMS JIL will need to provide the MAC with the appropriate forms.

Exhibit 8

Workload Transition Lessons Learned – January 2012 (Cont.)

287. The MAC should ensure all stakeholders are aware of the specific reference files that are being copied into the new region by identifying them within the cutover plan and group them logically by subsystem (i.e. pricing files). This can be done within the Comments section of the plan. In addition, testing should be performed to validate that file copies occurred as expected.
288. The EDC should ensure that the month end applications do not run for HIGLAS or mid-month transitions. In addition, the EDC may want to consider a verification process whereby a file would not be overlaid without first verifying.
289. During a previous implementation, the COBC file was not available for the first production cycle. Consequently, the EDC was unclear on whether or not to proceed with the first cycle. GHI/CMS should notify the EDC if the files will be late or not provided at all.
290. The MAC should advise the EDC Production Support team of what files to expect after the first cycle. This helps production support with their verification activities. The EDC should update the cutover plan to ask the MAC to provide a list of files they will send the 2 days following the first production cycle.
291. In a previous implementation, the MAC requested some electronic images from the outgoing contractor late. This did not allow the MAC sufficient time to decrypt the files and make them available to the operational units. The MAC should request all necessary electronic images in advance to allow sufficient time for decrypting.
292. For Part B split workloads, the MAC, OGC, and the EDC need to review and follow the MCS End of Life document so that no required jobs in the process will be omitted.
293. In a previous implementation, the number and source for Part B Reference File copies changed during each UAT, production simulation and at cutover. A Reference File copy issue delayed the initialization cycle. To ensure the correct reference file copy is applied for production cutover, the following should be performed:
- a. Ensure that the final production simulation Reference Files match what will be used at production cutover.
 - b. Review all Reference File copy requests including number and source with the maintainer prior to installation.
 - c. Bring up on-lines early in the process for contractor review of reference files.

Exhibit 8

Workload Transition Lessons Learned – January 2012 (Cont.)

294. During a previous cutover, the EDC inadvertently overlaid the correct reference files with incorrect files. This wasn't identified until the first MCS initialization cycle was well underway. The maintainer spent time researching, identifying the issue and collaborating with the stakeholders to determine the recovery approach.

No changes should be made to the transition jobs after the last production simulation and prior to cutover without the MCS Maintainer being aware and involved in the process. Had the MCS maintainer been aware of this change, the resulting cycle abend and rerun may have been avoided or at least the root cause identified earlier.

295. It is recommended that when running the initialization cycle for a Part B workload split, the EDC should load the NDM jobs and put them on hold to be released after the contractor reviews and approves them.

296. When the contractor number is being changed as part of the Part B split/merge process, the year-end 1099 jobs must be executed in the OGC environment(s). Because the year-end 1099 jobs are run, the quarterly/monthly 1099 split/merge process should not be run. The MCS maintainer's documentation has been updated to ensure that only one job is needed and a reference has been placed on the flow charts.

297. A work scheduler issue at the EDC resulted in VSAM and sequential Criteria files running out of synch causing an incorrect Criteria file to be brought in during the initialization cycle. The EDC should modify the initialization cycle scheduling processes to prevent this from recurring. The MCS maintainer will update the first cycle checkout document to ensure DC05 has run before releasing DA20 from user hold and update the install jobs process to not copy the batch versions of the CRIT file. An INFOMAN problem was created and is scheduled for the R20104AM MAC release.

298. To prevent inaccuracies in the weekly EDC maintained NPI job that merges the states from the NPI contractor into MCS, the EDC will modify the JCL build to automate the process for handling multiple contract numbers. They will also add a task to the Environment Build Checklist to add a Contract Number Scan and Verify.

299. At cutover, the MAC should ensure that the shared system maintainer sends files to the EDC so that jobs are run to transfer deactivated providers to the new contractor number. This needs to be done in case the deactivated provider bills for services prior to the deactivation or needs a claim adjustment, as well as for the handling and finalizing of cost reports.

Exhibit 8

Workload Transition Lessons Learned – January 2012 (Cont.)

300. The MAC and EDC should take into account any jobs (i.e., mass adjustments or reprocessing from a CMS directive) that are running during IPS or production cutover that may impact system run times. Since these jobs use CPU space that is needed for the MAC programs and reports, a decision should be made to put these jobs on hold until after cutover.
301. Contact and communications to set up new off-site storage facility accounts should be done at the onset of file transfer workgroup activity.
302. In HIGLAS implementations where there are multiple workloads in different time zones, the MAC should work closely with the OGC and EDC(s) to coordinate cycle start times, including when, and if, the on-lines are brought down, for both the transitioning and non-transitioning workloads.
303. For HIGLAS workloads, the cycle schedules for both HIGLAS and the standard system should be discussed on the same call so that the appropriate subject matter experts (SMEs) have an opportunity to provide feedback to the group when key decisions are being made.
304. The MAC should ensure that all tasks related to NPI file processing during cutover weekend are assigned to the appropriate CMS staff member and confirm that the individual is aware of the assignment and prepared to complete the task.
305. In complex implementations where a MAC and a HIGLAS split is required, additional time should be allotted in the cutover plan for the completion of the accounts receivable reconciliation activities.
306. Steps should be added to the HIGLAS cutover checklist to ensure that the aggregation process for prior months has been run before cutover activities begin.
307. IBM should confirm that all accounting is on ice during cutover activities so that delays in the post-split reconciliation process are not encountered.
308. For all implementations that use the MCS split/merge software process, the EDC recommends a task be included on the production cutover plan to allow extract tests to run a few days prior to cutover.
309. Where possible, the MAC and other key stakeholders should refrain from making email address changes, and other system related changes in the weeks leading up to and including cutover since these changes have the potential to interrupt the flow of information to key players in the cutover.

Exhibit 8

Workload Transition Lessons Learned – January 2012 (Cont.)

310. The MAC should review the production cutover checklist with all stakeholders to ensure that all parties are clear on the tasks included in the plan. Additionally, the MAC should ensure that the MAC production cutover and HIGLAS plans are reviewed for consistency.

311. Decisions and associated tasks for all workloads impacted by the HIGLAS MAC implementation (OGC in same HIGLAS org, MAC workload in the same HIGLAS org) need to be accounted for. A clear plan for all workloads should be established and tasks should be on the plan to account for them.

312. When the OGC has a small volume of shipments coming from multiple OGC facilities, the MAC can use contractor personnel to transfer files that are within a reasonable driving distance in lieu of using large sealed trucks that would need to come directly from each facility. This proves to be more cost efficient and in compliance with Medicare controls of inventory rules regulations.

313. If the MAC and HIGLAS cutover status calls are handled independently, there must be diligent coordination between the two groups. The MAC's HIGLAS representative must attend all MAC cutover status calls and provide a high-level status of the current HIGLAS cutover activities on each of the calls. Problems and/or issues identified must be shared with the group. The MAC's cutover representative(s) should also participate in the HIGLAS Cutover Status calls.

Exhibit 9 Glossary

Base/Non-base: Base/Non-base refers to those applications and interfaces that are part of core system processing and provided by the Medicare shared systems (base), and those that are not provided or maintained as part of the shared system (non-base). Examples of non-base processes include print/mail, ANSI translation, management reports, ICR/OCR imaging, data analysis, and scanning.

Claims Administration Contractor: A Medicare claims processor. A Part A fiscal intermediary, Part B carrier, or Medicare Administrative Contractor.

Closeout: The period of time from the incoming MAC's contract award to the end of the outgoing contractor's Medicare business operations during which the outgoing contractor carries out its plan to close down operations and transfer Medicare functions to the incoming MAC.

Contract Modification: A change to the written terms of a FAR contract.

Contract Transition: the process of closing out an incumbent MAC's existing Medicare contract and implementing the requirements of a subsequent contract that was awarded to that incumbent MAC for the same jurisdiction.

Cutover: The actual point at which the outgoing contractor ceases Medicare operations and the incoming MAC begins to perform Medicare business functions.

Cutover Period: The period of time surrounding the actual cutover. The cutover period normally begins 10-14 days prior to the cutover and ends with the incoming MAC's operational start date; i.e., when the incoming MAC begins normal business operations for the workload that it assumed at cutover. During the cutover period the outgoing contractor makes final preparations to shut down its operation and transfer its claims workload and administrative activities to the incoming MAC. Correspondingly, the incoming MAC makes final preparations for the receipt and utilization of Medicare files, data, and acquired assets.

Dark Day: A business day during the cutover period when the Medicare claims processing system is not available for normal business operations. System dark days may occur between the time the outgoing contractor ends its regular claims processing activities and the incoming MAC begins its first day of normal business operations.

Deliverable: 1) Information and documents that are requested from the outgoing contractor or other parties involved in a transition as part of the incoming MAC's due diligence; 2) Information, documents, reports, items, services, etc., that a MAC is required to provide to CMS as part of its FAR contract.

Exhibit 9 Glossary (Cont.)

Dim Day: A business day during the cutover period when there is some limited access to the Medicare claims processing system. It normally occurs after the actual cutover when the incoming MAC is validating its system and checking out its operation. As various components of the system are validated, such as DDE and the IVR, they will become available for access by providers during that business day. Customer service representatives may also be able to respond to certain inquiries.

Effective Date of Contract: The date that performance on the MAC contract begins after the resolution of a contract award protest.

Implementation: The period of time beginning with the award of the incoming MAC's contract and ending with the operational start date of the incoming MAC. During this period, the incoming MAC performs all of the activities specified in its implementation plan to ensure the effective transfer of Medicare functions from the outgoing MAC.

Joint Operating Agreement (JOA): A document that describes the interaction between a functional contractor and the MAC. It describes the work to be accomplished, the responsibilities of each party, and how disputes are resolved.

Jurisdiction: The territory in which the Medicare Administrative Contractor will contractually perform its Medicare functions.

Jurisdiction Consolidation: the merging of two numbered jurisdictions into a single alpha-designated consolidated jurisdiction (e.g., Jurisdiction 13 and Jurisdiction 14 combined to form Jurisdiction K).

Legacy Contractor: A Medicare Part A fiscal intermediary or a Part B carrier.

Listserv: An electronic mailing list that MACs use to notify registrants of important Medicare program matters and information.

Medicare Administrative Contractor (MAC): The entity that has the contractual responsibility for performing Medicare claims processing and other administrative functions under contract with CMS.

Medicare Claims Processor: A Part A fiscal intermediary, Part B carrier, or Medicare Administrative Contractor.

Medicare Data: Any representation of information, in electronic or physical form, pertaining to Medicare beneficiaries, providers, physicians, or suppliers, or necessary for the contractual administration thereof, that is received, maintained, processed, manipulated, stored, or provided to others in the performance of functions described in a Medicare contract.

Exhibit 9 Glossary (Cont.)

Medicare Record: A collection of related items of Medicare data treated as a unit.

Medicare File: A set or collection of related Medicare records treated as a unit.

Operational Date: The date that the MAC assumes all Medicare functions from an outgoing contractor and is capable of processing Medicare claims in accordance with its contract.

Out-of-Jurisdiction Provider: A provider that is being serviced by the MAC that is not located within that MAC's jurisdiction. All out-of-jurisdiction providers will be moved to their appropriate MACs after all of the MAC jurisdiction implementations have been completed.

Post-Cutover Period: Generally, the incoming MAC's first three months of Medicare claims processing operations, during which workload and performance are monitored closely by CMS and any problems associated with the implementation are resolved.

Post-Operational Period: For the outgoing contractor, the period between cutover and the end of its contract. Claims processing activity has ceased during this period; however, the outgoing contractor must complete its financial reporting and other related contractual closeout business activities prior to the end of its period of performance.

Pre-Award Phase: The period of time prior to award of the MAC contract where CMS is preparing for and conducting the MAC procurement.

Provider: An organization or individual who is providing a Medicare service; i.e. an institutional provider, physician, non-physician practitioner, or supplier.

Split/Merge: A split involves the separation of all electronic records in one processing region into two separate sets of records, generally split by state. A merge combines separate processing regions into one region to allow for more efficient and less costly data processing.

Technical Direction: Providing technical details, information, or direction that will help the MAC accomplish the requirements of the statement of work. Technical direction is the responsibility of the Contracting Officer's Representative, but he/she cannot change the work in the SOW, costs, or the terms, conditions, or specifications of the contract.

Transition: The entire scope of activities associated with moving the Medicare functions of an outgoing contractor to MAC because the outgoing contractor's period of performance has ended. The transition includes implementation activities of the

Exhibit 9 Glossary (Cont.)

incoming MAC, closeout activities of the outgoing contractor, and the activities of other parties involved in the transfer of Medicare data, records, and operations to the new MAC.

Transition Monitoring: A responsibility of CMS to ensure that Medicare functions are properly transferred from the outgoing contractor to the incoming MAC. Transition monitoring begins with the award of the MAC contract and may last for three months after the operational date of the incoming MAC.

Workload Consolidation: See Jurisdiction Consolidation

Workload Transition: the period of time that encompasses the movement of Medicare operations and functions from an outgoing contractor to an incoming MAC.

Exhibit 10

Acronyms

AAS	Automated Adjudication System
ACD	Automated Call Distributor
ACH	Automated Clearing House
AdQIC	Administrative Qualified Independent Contractor
AR	Accounts Receivable
ART	Analysis Reporting and Tracking System
ARU	Automated Response Unit
ASC	Appeals Support Contractor
ASCR	Audit Selection Criteria Report
ASPEN	Automated Survey Processing Environment
BCBSA	Blue Cross and Blue Shield Association
BCC	Beneficiary Contact Center
BESS	Part B Extract and Summary System
BFE	Business Function Expert
BFL	Business Function Lead
CAFM	Contractor Administrative Budget and Financial Management
CAP	Corrective Action Plan
CAT	Contract Administration Team
CCN	Claim Control Number
CEDI	Common Electronic Data Interchange Contractor
CERT	Comprehensive Error Rate Testing
CICS	Customer Information Control System
CMIS	Contractor Management Information System
CM(M)	Center for Medicare (Management)
CMN	Certificate of Medical Necessity
CMS	Centers for Medicare and Medicaid Services
CNI	Chickasaw Nation Industries
CO	Central Office
CO	Contracting Officer
COB	Coordination of Benefits
COBA	Coordination of Benefits Administrator
COBC	Coordination of Benefits Contractor
COI	Conflict of Interest
COR	Contracting Officer's Representative
COTR	Contracting Officer's Technical Representative
COTS	Commercial Off-the-Shelf
CPE	Contractor Performance Evaluation
CPIC	Certification Package for Internal Controls
CR	Change Request
CRAF	Collection Reconciliation Acknowledgement Form
CROWD	Contractor Reporting of Operational and Workload Data
CRSL	Cost Report Settlement Log
CSAMS	Customer Service Assessment and Management System

Exhibit 10
Acronyms (Cont.)

CSI	Claim Status Inquiry
CSR	Customer Service Representative
CWF	Common Working File
DASD	Data Access Storage Device
DCN	Document Control Number
DCS	Delinquent Debt Collection System
DDE	Direct Data Entry
DHHS	Department of Health and Human Services
DMEPOS	Durable Medical Equipment, Prosthetics, Orthotics, and Supplies
DNF	Do Not Forward
ECRS	Electronic Correspondence Referral System
EDC	Enterprise Data Center
EDI	Electronic Data Interchange
EFT	Electronic Funds Transfer
EIN	Employee Identification Number
EMC	Electronic Media Claims
ERA	Electronic Remittance Advice
ERN	Electronic Remittance Notice
FACP	Final Administrative Cost Proposal
FAQ	Frequently Asked Question
FAR	Federal Acquisition Regulations
FFS	Fee-for-Service
FI	Fiscal Intermediary
FOIA	Freedom of Information Act
FISS	Fiscal Intermediary Standard System
FQHC	Federally Qualified Health Clinic
GAO	Government Accountability Office
GFE	Government Furnished Equipment
GFP	Government Furnished Property
GTL	Government Task Leader
HCPCS	Healthcare Common Procedure Coding System
HHH	Home Health and Hospice
HGTS	Harkin Grantee Tracking System
HIGLAS	Healthcare Integrated General Ledger Accounting System
HIPAA	Health Insurance Portability and Accountability Act
IACS	Individuals Authorized to Access CMS Systems
IBPR	Intermediary Benefit Payment Report
ICO	Incoming Contracting Officer
ICOR	Incoming Contracting Officer's Representative
ID/IQ	Indefinite Delivery/Indefinite Quantity
IER	Interim Expenditure Report
IL	Implementation Lead

Exhibit 10 Acronyms (Cont.)

IMAC	Incoming MAC
IPL	Initial Program Load
IOM	Internet Only Manual
ISO	International Organization for Standardization
IT	Information Technology
IVR	Interactive Voice Response
JCL	Job Control Language
JIPP	Jurisdiction Implementation Project Plan
JOA	Joint Operating Agreement
JSM/TDL	Joint Signature Memorandum/Technical Direction Letter
LAN	Local Area Network
LCD	Local Coverage Determination
LOLA	Limited On-Line Access
LPET	Local Provider Education and Training
MAC	Medicare Administrative Contractor
MCMG	Medicare Contractor Management Group
MCR	Medicare Contracting Reform
MCS	Multi-Carrier System
MDCN	Medicare Data Communications Network
MED	Medicare Exclusion Database
MICR	Magnetic Ink Character Recognition
MIP	Medicare Integrity Program
MISC	Medicare Implementation Support Contractor
MMA	Medicare Prescription Drug, Improvement and Modernization Act of 2003
MOU	Memorandum of Understanding
MPaRTS	Mistaken Payment Recovery Tracking System
MR	Medical Review
MSN	Medicare Summary Notice
MSP	Medicare Secondary Payer
NARA	National Archive and Record Administration
NGD	Next Generation Desktop
NIH	National Institutes of Health
NOBA	Notice of Budget Authorization
NSC	National Supplier Clearinghouse
OAGM	Office of Acquisition and Grants Management
OCO	Outgoing Contracting Officer
OCOR	Outgoing Contracting Officer's Representative
OCR	Optical Character Recognition
ODIE	Online Data Input and Edit
OGC	Outgoing Contractor
OFM	Office of Financial Management
OIS	Office of Information Services
OIG	Office of the Inspector General

Exhibit 10
Acronyms (Cont.)

OMAC	Outgoing MAC
OSCAR	Online Survey Certification and Reporting System
PAG	Provider Advisory Group
PCA	Progressive Corrective Action
PCC	Provider Contact Center
PCOM	Provider Communication Advisory Group
PDAC	Pricing Data Analysis and Coding Contractor
PECOS	Provider Enrollment, Chain and Ownership System
PI	Program Integrity
PIES	Provider Inquiry Evaluation System
PII	Personally Identifiable Information
PIMR	Program Integrity Medical Review
PO	Project Officer
POC	Point of Contact
POE	Provider Outreach and Education
POR	Provider Overpayment Reporting
PRA	Per Resident Amount
PRRB	Provider Reimbursement Review Board
PSC	Program Safeguard Contractor
PSOR	Physician and Supplier Overpayment Report
PTS	Provider Tracking System
QASP	Quality Assurance Surveillance Plan
QCM	Quality Call Monitoring
QWCM	Quality Written Correspondence Monitoring
QIC	Qualified Independent Contractor
QIES	Quality Improvement Evaluation System
QIO	Quality Improvement Organization
OSA	Out of Service Area
RA	Recovery Auditor
RACF	Resource Access Control Facility
RCP	Report of Contractor Performance
ReMAS	Recovery Management and Accounting System
RFC	Request for Contract
RFP	Request for Proposals
RHC	Rural Health Clinic
RHHI	Regional Home Health Intermediary
RO	Regional Office
RTP	Return to Provider
SADBUS	Small and Disadvantaged Business
SAS 70	Statement on Auditing Standard, Number 70
SBR	Supplemental Budget Request
SCH	Sole Community Hospital
SMART	System for MSP Automated Recovery and Tracking

Exhibit 10
Acronyms (Cont.)

SOW	Statement of Work
SSA	Social Security Administration
SSM	Shared System Maintainer
STAR	System Tracking Audit and Reimbursement System
STC	Single Testing Contractor
TEFRA	Tax Equity and Fiscal Responsibility Act
TDL	Technical Direction Letter
TM	Technical Monitor
UAT	User Acceptance Testing
VMS	ViPS Medicare System
WAN	Wide Area Network
WBS	Work Breakdown Structure
WIC	Western Integrity Center
ZPIC	Zone Program Integrity Contractor (PSC)

Exhibit 11 – File and Record Transfer Plan Contents

A file/record transfer plan can encompass the entire jurisdiction with a breakout for each segment or a separate plan can be created for each segment. The file/record transfer plan should include these key elements:

1.0 Overview

This section provides a high level overview of the File/Record Transfer Plan objectives and explains the strategy the MACs are planning to use to transfer the existing Medicare records of the outgoing contractor to the incoming MAC. This section may also include key dates (i.e., segment cutover dates, file transfer dates, etc).

2.0 On-site Storage Facility Information

This section describes information related to the on-site records that are located in each outgoing contractor's facility that need to be transferred to the MAC.

Topics in this section should include:

- Assumptions;
- The incoming MAC's proposed transfer plans;
- Inventory Lists - this should detail the various categories within each given work type (e.g., Appeals – Redeterminations, Reopenings, QIC effectuations, etc.). It should include volumes (e.g., estimated number of boxes, size of boxes) and types of records to be transferred by segment;
- Names , locations and contact information for the outgoing contractor's on-site storage facilities;
- Dates the outgoing contractor should discontinue sending files to off-site storage;
- Stop Work Dates – these are the dates in which the outgoing contractor will discontinue processing its pending inventories and begin shipping preparations. To ensure there is no misunderstanding, the plan should clearly specify the dates any pending work should be stopped and shipped as well as the dates any completed work should be shipped since these dates may differ;
- Shipping Instructions;
- Shipment Options (if any); and
- Boxing and Labeling Instructions - the incoming MAC should develop a labeling system to provide to the outgoing contractor so that boxes are routed correctly to the MAC for operational use or storage.
 - At a minimum, the label of each box of files should display the title of the record series or workgroup/function (i.e., claims, provider enrollment, and medical review) along with the type of document (i.e., ADR, EFT, PCA) and the earliest and latest dates of the records in the box.
 - Consider using a unique process, such as color coding the labels on the boxes, to easily differentiate between boxes containing pending work and

Exhibit 11 – File and Record Transfer Plan Contents (Cont.)

- completed work (e.g., red labels for pending work and blue labels for completed work).
- Numbering the boxes to indicate Box 1 of 25, 2 of 25, etc. can also be helpful.
- A listing of the box contents can be placed inside each box as well as securing a copy to the outside of the box.

3.0 Off-site Storage Facilities Information

This section describes the current location and storage facility of the records to be transferred as well as the MAC's plan for either transferring the records or taking over the existing off-site storage facility contracts for each segment.

Topics in this section should include:

- Assumptions;
- MAC's proposed transfer plans;
- Inventory lists - including volumes (e.g., estimated number of boxes, size of boxes) and types of records to be transferred by segment; and
- Names, locations and contact information for the outgoing contractor's off-site storage facilities.

4.0 Electronic File Transfers

This section describes the type, age and information related to electronic files to be transferred, as well as how the electronic files will be sent (e.g., NDM).

Other topics within this section may include:

- Imaging records;
- Commingled Records (if any);
- Electronic Inventory Lists;
- Files that require encryption (e.g., internal database files); and
- Encryption process.

5.0 Miscellaneous Topics

The MAC should also include the followings topics in the File/Record Transfer Plan:

- Description of any Memorandum of Understanding (MOU), if necessary;
- Handling of misrouted mail; and
- New mailing addresses for the MAC.

Validation process including: (1) the verification of electronic files to determine the quality of the inventory results, and (2) the plan for physical sampling for paper files to confirm the accuracy of the information recorded on the inventory form.

Exhibit 12
Sample EFT Final Request Notice

Provider Name
Address
City, State ZIP

FINAL REQUEST

Medicare Electronic Funds Transfer (EFT) Alert

IMMEDIATE ACTION REQUIRED TO AVOID PAYMENT DISRUPTION

Provider Number:

Dear Provider:

 [Incoming MAC] is the Medicare Administrative Contractor (MAC) for Jurisdiction *[Number/Letter]*, which includes the states of *[List states]*. Providers in these states who previously were receiving their Medicare payments electronically from *[Outgoing MAC]* must now submit a new CMS-588 Electronic Funds Transfer (EFT) Authorization Agreement form to *[Incoming MAC]*.

Our records indicate that you are currently receiving electronic Medicare payments. We previously mailed information to you regarding the required completion of the CMS-588. To date, *[Incoming Contractor]* has no record of receiving your CMS-588 EFT agreement.

To ensure continued receipt of your electronic payments, it is imperative that you complete a CMS-588 EFT Authorization Agreement and return it to *[Incoming MAC]* no later than *[10 days from date of letter]*. Failure to submit the requested form by the designated date will require us to withhold 100% of your Medicare payments until the agreement is provided.

Furthermore, if no response is received by *[90 days from date the CMS-588 is due]*, your provider identification number will be deactivated and you will not be eligible to bill Medicare. We urge you to promptly comply with this request to avoid claim payment issues or disenrollment actions.

For your convenience we have enclosed a hard copy form CMS-588 for you to complete or if you prefer you can download a blank form from the CMS Website by using the link below:

<http://www.cms.gov/cmsforms/downloads/cms588.pdf>

Exhibit 12 Sample EFT Final Request Notice (Cont.)

We have also developed a tutorial to assist with completing the EFT application. You may access this tutorial through our Online Education Center at:

http:// _____ [Website link] _____

Please follow these instructions when completing your EFT application:

- **CMS-588 Part I** – Check the **New EFT Authorization** box as the reason for the submission.
- **CMS-588 Part II** – Ensure that you complete the **Medicare identification Number** (your Medicare provider number that you have from your old contractor) as well as the **National Provider Identifier (NPI)**. If you have multiple NPI numbers for a given Medicare number, an application will need to be submitted for each combination.
- **CMS-588 Part III** – Include an **original voided check or copy of a letter of verification** from your financial institution. This letter must verify the account and Automated Clearing House (ACH) transit number provided on the CMS-588 and be signed by an employee of the bank. The legal business name listed on the voided check or letter must be an exact match to the legal business name listed on the CMS-588.
- **CMS-588 Part IV** – The account information listed on the CMS-588 submitted to _____[incoming MAC]_____ must agree with the most recent CMS-588 that is on file with Medicare. If you need to update your account information, please follow the instructions for “Revision to Current Authorization”.
- **CMS-588 Part V** – Ensure that your organization’s authorized or delegated official signs the CMS-588 form. All unsigned forms will be returned as incomplete, and **each form must have an original signature and date**.

Submit your completed CMS-588 and the voided check or bank letter of verification to the address below:

_____[Incoming MAC]_____
Attn: EFT – J__
_____[Address]_____
_____[City, State, ZIP]_____

You will receive a letter notifying you when your application has been processed. Should you have questions or need assistance, you may contact us toll-free at ()-____-_____.

Important: Your Medicare payments will be interrupted if you fail to complete and return a CMS-588 EFT Authorization and account information to _____[IncomingMAC]_____
Completion of this information now will ensure that your electronic payments continue uninterrupted.

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