

**Jurisdiction 6 Part A and Part B Medicare Administrative Contractor
(Jurisdiction 6 A/B MAC)
Contract Award to National Government Services, Inc.**

**Jurisdiction 8 Part A and Part B Medicare Administrative Contractor
(Jurisdiction 8 A/B MAC)
Contract Award to Wisconsin Physicians Service Insurance Corporation**

Questions and Answers

---September 2011---

Q: What companies have been awarded the contracts for the Jurisdiction 6 A/B MAC and Jurisdiction 8 A/B MAC workloads?

A: National Government Services, Inc. (NGS) has been awarded the Jurisdiction 6 A/B MAC contract and Wisconsin Physicians Service Insurance Corporation (WPS) has been awarded the Jurisdiction 8 A/B MAC contract.

Q: What states are included in the Jurisdiction 6 A/B MAC and Jurisdiction 8 A/B MAC service areas?

A: The Jurisdiction 6 MAC contract includes the three states of Illinois, Minnesota, and Wisconsin. Additionally, for Medicare home health and hospice billings, Jurisdiction 6 includes the thirteen states of Alaska, Arizona, California, Hawaii, Idaho, Michigan, Minnesota, Nevada, New Jersey, New York, Oregon, Wisconsin and Washington, as well as the five U.S. territories of American Samoa, Guam, Northern Mariana Islands, Puerto Rico, and the U.S. Virgin Islands.

The Jurisdiction 8 MAC contract includes the two states of Indiana and Michigan.

Q: Who are the incumbent Medicare claims contractors in these states that will be affected by this award?

A: Over the next several months, CMS will oversee the transfer of Medicare work from the incumbent contractors to the Jurisdiction 6 and the Jurisdiction 8 A/B MACs.

For the Jurisdiction 6 MAC contract area that NGS will administer:

- NGS is the incumbent and holds the Part A Fiscal Intermediary (FI) contracts in Illinois and Wisconsin, and also processes billings from home health and hospice providers in Alaska, American Samoa, Arizona, California, Guam, Hawaii, Idaho, Michigan, Minnesota, Nevada, New Jersey, New York, Northern Mariana Islands, Oregon, Puerto Rico, U.S. Virgin Islands, Wisconsin, and Washington.
- WPS is the incumbent and holds the Part B carrier contract in Illinois, Minnesota, and Wisconsin.

- Noridian Administrative Services (NAS) is the incumbent and holds the Part A Fiscal Intermediary contract in Minnesota.

For the Jurisdiction 8 MAC contract area that WPS will administer:

- NGS is the incumbent and holds the Part A FI contracts in Indiana and Michigan, as well as holding the Part B carrier contract in Indiana.
- WPS is the incumbent and holds the Part B carrier contract in Michigan.

Q: What are the major contractual differences of the A/B MACs compared to the current fiscal intermediaries (FIs) and carriers?

A: The claims administration workload for each A/B MAC is being awarded through full and open competition conducted in accordance with federal procurement rules. Based on structured evaluation criteria, the CMS contracting officer selects the proposal that represents the best value for the government. The A/B MAC contracts are for the administration of both Medicare Part A and Part B claims in a specific geographic jurisdiction. MAC contractors are able to earn incentive payments if their performance meets and exceeds contract requirements for service quality, timeliness, cost, and management.

Under the requirements of the original Medicare legislation, the FI and carrier contracts were not, for the most part, awarded through competitive procedures. In addition, only health insurance companies could serve as a Medicare carrier. The contracts for the FIs and carriers do not allow for performance incentives; rather, contractors are reimbursed for their costs incurred in administering Medicare claims.

Q: What type of contract has been awarded for the Jurisdiction 6 and Jurisdiction 8 A/B MAC workload?

A: The Jurisdiction 6 and Jurisdiction 8 A/B MACs were awarded under a “cost-plus-award-fee” contract. The period of performance for both contracts is a base period with four one-year options. Inclusive of all options, the awarded contract for Jurisdiction 6 has an estimated value of \$273 million and Jurisdiction 8 has an estimated value of \$218 million.

Q: Where are the Jurisdiction 6 and Jurisdiction 8 A/B MAC contractors’ headquarters?

A: NGS’s operations are headquartered in Indianapolis, Indiana. For more information regarding NGS, please see www.ngsmedicare.com

WPS’s operations are headquartered in Madison, Wisconsin. For more information regarding WPS, please see www.wpsmedicare.com

Q: When will the new Jurisdiction 6 and Jurisdiction 8 A/B MACs begin operations and how will the implementation impact the provider and beneficiary communities?

A: Barring any delays, the implementation activities of both A/B MACs that are needed to move the Part A and Part B workloads will begin immediately. CMS expects to complete most

transfers of these workloads to the respective A/B MAC contractors within the next six-to-nine months.

CMS will work with all stakeholders to ensure a smooth transition and minimal impact to the provider and beneficiary communities.

Q: How will staffing be affected as work moves from the current FIs and carrier to the Jurisdiction 6 and 8 A/B MACs?

A: With the award and implementation of the new contract, the Jurisdiction 6 A/B MAC will be performing the claims administration work that had been distributed among three contractors and the Jurisdiction 8 A/B MAC will be performing the claims administration work that had been distributed among two contractors.

For more specific questions regarding staffing for Jurisdiction 6, please contact the Director of the Division of Eastern MAC Administrative Contracts, Cathy Baldwin, in CMS' Office of Acquisition and Grants Management. Ms. Baldwin may be reached at 410-786-5131 or at Cathy.Baldwin2@cms.hhs.gov

For more specific questions regarding staffing for Jurisdiction 8, please contact the Director of the Division of Western MAC Administrative Contracts, Jamie Galvez, in CMS' Office of Acquisition and Grants Management. Mr. Galvez may be reached at 410-786-5701 or at Jamie.Galvez@cms.hhs.gov

Q: How many beneficiaries and providers are there in Jurisdiction 6 and Jurisdictions 8? What percent of the national claims workload is accounted for in these Jurisdictions?

A: CMS estimates for Jurisdiction 6 (Illinois, Minnesota, Wisconsin, and home health and hospice claims) that:

- Over 2.7 million Medicare fee-for-service beneficiaries reside in Jurisdiction 6;
- Almost 500 Medicare hospitals will be served by the new MAC contractor;
- The new MAC will serve approximately 64,000 physicians and other Part B practitioners that furnish health care services to Medicare beneficiaries in this jurisdiction; and
- Jurisdiction 6 will administer approximately 8.1% of the overall national Medicare fee-for-service claims volume.

CMS estimates for Jurisdiction 8 (Indiana and Michigan) that:

- Over 2.2 million Medicare fee-for-service beneficiaries reside in Jurisdiction 8;
- Almost 350 Medicare hospitals will be served by the new MAC;
- The new MAC will serve approximately 41,000 physicians and other Part B practitioners that furnish health care services to Medicare beneficiaries in this jurisdiction; and
- Jurisdiction 8 will administer approximately 5.8% of the overall national Medicare fee-for-service claims volume.