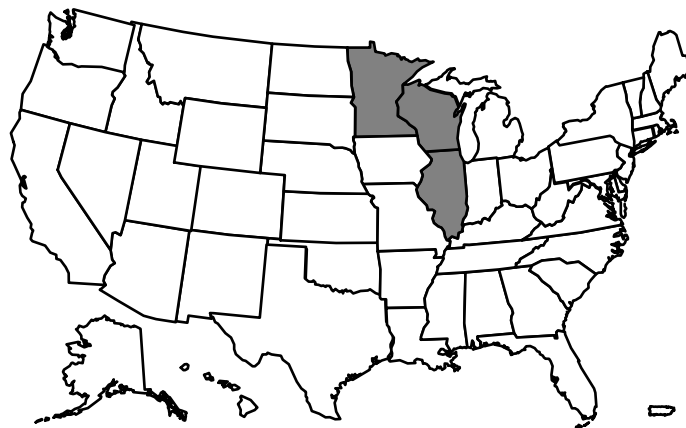


**Award of  
Part A and Part B Medicare Administrative Contractor (A/B MAC)  
Contract for Jurisdiction 6**

- On September 30, 2011, the Centers for Medicare & Medicaid Services (CMS) announced that National Government Services, Inc. (NGS) has been awarded the Jurisdiction 6 A/B MAC contract for the administration of the Part A and Part B Medicare fee-for-service claims in the states of Illinois, Minnesota, and Wisconsin. The contractor will also be responsible for processing home health and hospice claims in thirteen states and several territories.
- This contract award is the completion of a procurement corrective action from the initial set of competitive procurements for Medicare fee-for-service claims processing contracts, referred to as MAC contracts. The initial contract solicitation was issued in August 2007, but CMS took corrective action when the original award was protested to the Government Accountability Office. CMS reopened the competition during the summer of 2010.
- When the contract is fully implemented, the Jurisdiction 6 A/B MAC contractor will serve over 2.7 million beneficiaries in Illinois, Minnesota, and Wisconsin. The area included within Jurisdiction 6 is shown below:



- Additionally, for Medicare home health and hospice billings, Jurisdiction 6 includes the states of Alaska, Arizona, California, Hawaii, Idaho, Michigan, Minnesota, Nevada, New Jersey, New York, Oregon, Wisconsin and Washington, as well as the territories of American Samoa, Guam, Northern Mariana Islands, Puerto Rico, and the U.S. Virgin Islands.
- The Jurisdiction 6 A/B MAC will also serve almost 500 Medicare hospitals and approximately 64,000 physicians. The contractor will administer approximately 8.1% of the overall national Medicare fee-for-service Part A and Part B claims volume.

- The Part A/B MAC Jurisdiction 6 contract includes a base year and four option years, for a maximum duration of five years. The contract is a “cost plus award fee” contract; the award fee will be earned only if the contractor meets and exceeds the base requirements of the contract for service quality, timeliness, cost, and management. Inclusive of all options, the awarded contract has an estimated value of \$273 million.
- In addition to processing Medicare claims in Jurisdiction 6, NGS will perform other critical Medicare operational functions, including enrolling, educating, and auditing Medicare providers. The Jurisdiction 6 A/B MAC will also process claims for several thousand Federally Qualified Health Centers (FQHCs).
- Over the next several months, CMS will oversee the transfer of Medicare work from the incumbent contractors to the Jurisdiction 6 A/B MAC.
  - NGS is the incumbent and holds the Part A Fiscal Intermediary contracts in Illinois and Wisconsin, as well as the Region Home Health Intermediary contract for 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.
  - Wisconsin Physicians Service Insurance Corporation (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.
- CMS anticipates that implementation of the new contract will go smoothly, with few, if any, disruptions in service for Medicare beneficiaries and providers.
- Questions about the contract award should be directed to Desiree Wheeler in CMS’ Office of Acquisition and Grants Management. Ms. Wheeler may be reached at 410-786-2404 or at [Desiree.Wheeler@cms.hhs.gov](mailto:Desiree.Wheeler@cms.hhs.gov).

### **Background on Medicare Contracting Reform**

- In 2003, Congress mandated that CMS award contracts for Medicare fee-for-service claims administration service through competitive federal contracting processes.
- In 2005, CMS announced it would consolidate Medicare Part A and Part B fee-for-service claims administration into 15 (fifteen) regional jurisdictions.
- Eleven of these regional MAC jurisdictions are fully implemented, and the remaining four MACs are in progress. The Jurisdiction 6 MAC is one of these four remaining MACs and part of the initial consolidation of Medicare Part A and Part B fee-for-service claims administration into 15 (fifteen) regional jurisdictions.

- The competitive contracting provisions of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 require that the MAC contracts be re-competed every five years. Re-competitions of the initial set of MAC contracts are currently underway.
- In 2010, CMS announced the further consolidation of MAC jurisdictions from 15 (fifteen) A/B MAC jurisdictions to 10 (ten) by 2016. The first stage of this consolidation, to 13 (thirteen) MACs, will be accomplished in 2011.
- CMS has stringent standards for contract performance on the MAC contracts and measures performance through a variety of processes, including on-site oversight, data reviews and protocol-driven quality assurance reviews, as well as independent audits.
- As CMS continues to use the competitive process to select claims administration contractors, the technical understanding of the offerors and the past performance track records of the offerors are major evaluation factors.