MEDICARE ADMINISTRATIVE CONTRACTOR

WORKLOAD TRANSITION HANDBOOK

MEDICARE CONTRACTOR MANAGEMENT GROUP

JUNE 10, 2014

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Workload Transition Handbook
June 10, 2014

The ***Medicare Administrative Contractor Workload Transition Handbook*** consolidates into one document all previous handbooks that dealt with the implementation and closeout activities of Medicare Administrative Contractors during a workload transition. This June 10, 2014 version combines and updates the information contained in the ***Workload Implementation Handbook for Medicare Administrative Contractor Jurisdictions*** and the ***Workload Closeout Handbook for Medicare Administrative Contractors*** and should be used in place of those documents.

This single handbook contains chapters with general information that is useful and common to both the incoming and outgoing MACs. It also contains chapters specific to the incoming MAC's implementation and the outgoing MAC's closeout. While there are chapters particular to each of the MACs, it is recommended that both Medicare Administrative Contractors be familiar with the entire content of this document.

The handbook also provides information regarding a contract transition, which will occur when an incumbent MAC is awarded a subsequent contract for the jurisdiction that it currently services.

The consolidation of the handbooks necessitated the rearrangement of information and created a new structure for some chapters. Overall transition processes and requirements have not changed to any great extent; however, information in various chapters has been updated and some text simplified. Revisions of note include:

- All references to Chickasaw Nations Industries (CNI) have been deleted. CNI's contract with CMS ended January 31, 2014. Prior to the end of its contract, CNI provided comments to the information contained in this handbook and updated the lessons learned through the JK transition. Any reference to legacy contractors has also been removed since there are no longer any Medicare carriers or intermediaries.

- A chapter section has been added that describes the role of the CMS Information Technology Specialist. (Chapter 2.6)

- References to the Coordination of Benefits Contractor (COBC) and the Medicare Secondary Payment Recovery Contractor (MSPRC) have been removed. New chapters (Chapters 3.9 and 3.10) have been added for the Commercial Repayment Center (CRC) and the Benefits Coordination and Recovery Center (BCRC). The Joint Operating Agreement information pertaining to these contractors has been revised accordingly. (Chapter 5.11)

- A chapter section has been added for the shared system maintainers (SSM), common working file (CWF), and PECOS. (Chapters 3.16, 3.17, and 3.18)

- The Form CMS-588 is no longer required to be completed by providers during the implementation. Providers who signed a pre-May 2010 version of the CMS-588 will complete new forms as part of their revalidation process. (Chapter 6.9)

- A chapter section has been added pertaining to the outgoing MAC's portal information that will be provided to the incoming MAC. (Chapter 6.10)

- A new chapter section has been added regarding the coordination of the complementary credit process with the Benefits Coordination and Recovery Center. (Chapter 10.6)

- An additional meeting for the incoming and outgoing MACs has been scheduled—the BCRC coordination meeting. (Chapter 11.1.8 and 14.1.7) Information on a weekly management update meeting with the incoming MAC has also been included. (Chapter 11.1.5) Additional documentation has been added for the incoming MAC—the cutover reminder and cutover update. (Chapters 11.2.18 and 11.2.19).

- The following new exhibits have been added:
  - Exhibit 7, MAC Cutover and Workload Transfer Planning Guide
  - Exhibit 9, Medicare Contractor Transition electronic Transmittal Form
  - Exhibit 10, Coordination of Benefits Agreement (COBA) ACH Electronic Authorization Form
  - Exhibit 11, Cutover Points of Contact for Peripheral System/Interfaces
  - Exhibit 12, Post-Cutover Workload Reporting Categories and Elements
  - Exhibit 13, Sample Financial Closeout Letter

It should be noted that minor wording and editing changes are not listed above and occur throughout the document.

As author/editor of this and other transition documents, I would like to express my thanks to all of those in CMS and the Medicare contractor community who have assisted me throughout the years with their comments, suggestions, and written materials. Your support in the development, composition, and maintenance of our handbooks has contributed immeasurably to the continued success of our Medicare workload transitions.

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TABLE OF CONTENTS

CHAPTER 1: INTRODUCTION 1-1

1.1 MEDICARE ADMINISTRATIVE CONTRACTOR WORKLOAD TRANSITION HANDBOOK 1-1
1.1.1 Chapters 1-2
1.1.2 Exhibits 1-3
1.1.3 Index 1-4
1.2 TRANSITION PHASES 1-4
1.2.1 Incoming MAC Transition Phases 1-4
1.2.2 Outgoing MAC Transition Phases 1-5
1.3 TERMINOLOGY 1-5
1.4 GOALS OF A SUCCESSFUL WORKLOAD TRANSITION 1-7

CHAPTER 2: CMS ORGANIZATION 2-1

2.1 MAC CONTRACTING OFFICERS 2-1
2.2 MAC CONTRACT SPECIALISTS 2-1
2.3 CONTRACTING OFFICER'S REPRESENTATIVE 2-1
2.4 IMPLEMENTATION LEAD 2-2
2.5 CLOSEOUT LEAD 2-2
2.6 INFORMATION TECHNOLOGY SPECIALIST 2-3
2.7 BUSINESS FUNCTION LEAD 2-3
2.8 TECHNICAL MONITORS 2-3
2.9 FUNCTIONAL CONTRACTORS 2-4

CHAPTER 3: INTERACTION WITH OTHER CMS COMPONENTS AND FUNCITONAL CONTRACTORS 3-1

3.1 OVERVIEW 3-1
3.2 VIRTUAL DATA CENTER (VDC) 3-1
3.3 ZONE PROGRAM INTEGRITY CONTRACTOR (ZPIC)/PROGRAM SAFEGUARD CONTRACTOR (PSC) . 3-3
3.4 BENEFICIARY CONTACT CENTER (BCC) 3-3
3.5 QUALIFIED INDEPENDENT CONTRACTOR (QIC) 3-4
3.6 ADMINISTRATIVE QUALIFIED INDEPENDENT CONTRACTOR (ADQIC) 3-4
3.7 QUALITY IMPROVEMENT ORGANIZATION (QIO) 3-5
3.8 RECOVERY AUDITOR (RA) 3-5
3.9 BENEFITS COORDINATION AND RECOVERY CENTER (BCRC) 3-6
3.10 COMMERCIAL REPAYMENT CENTER (CRC) 3-7
3.11 APPEALS SUPPORT CONTRACTOR (ASC) 3-7
3.12 DME - NATIONAL SUPPLIER CLEARINGHOUSE (NSC) 3-7
3.13 DME - PRICING DATA ANALYSIS AND CODING (PDAC) CONTRACTOR 3-8
3.14 DME - COMMON ELECTRONIC DATA INTERCHANGE (CEDI) CONTRACTOR 3-9
3.15 HIGLAS 3-9
3.16 SHARED SYSTEM MAINTAINERS 3-10
3.17 COMMON WORKING FILE 3-10
3.18 PECOS 3-11
3.19 BANKING SERVICES 3-11

CHAPTER 4: GETTING STARTED 4-1

4.1 CONTRACT AWARD 4-1
4.2 PUBLIC ANNOUNCEMENT 4-1
4.3 AWARD PROTEST 4-2
4.4 CONTACT WITH THE OUTGOING MAC 4-2
4.5 OUTGOING MAC EMPLOYEES 4-2
4.6 TRANSITION PROJECT TEAMS 4-3

4.6.1 Incoming MAC Implementation Project Team 4-3
4.6.2 Outgoing MAC Closeout Project Team 4-4
4.7 JURISDICTION KICKOFF 4-4
4.7.1 Preparations 4-4
4.7.2 Incoming MAC Pre-Meeting 4-5
4.7.3 Outgoing MAC Pre-Meeting 4-6
4.7.4 Jurisdiction Kickoff Meeting 4-7
4.7.5 Post-Award Orientation Conference 4-10
4.7.6 Segment Kickoff 4-10
4.8 TRANSITION WORKGROUPS 4-11
4.8.1 General 4-11
4.8.2 Participants 4-11
4.8.3 Scope 4-12
4.8.4 Functions 4-13
4.8.5 Administration 4-14

CHAPTER 5: INCOMING MAC: IMPLEMENTATION PROJECT MANAGEMENT 5-1

5.1 PROJECT MANAGEMENT APPROACH 5-1
5.2 PROJECT PLANS 5-1
5.2.1 Jurisdiction Implementation Project Plan 5-1
5.2.2 Implementation Project Plan Structure 5-2
5.2.3 Segment Implementation Project Plan 5-3
5.3 INTERACTION WITH THE OUTGOING MAC 5-3
5.4 COORDINATION OF MEETINGS AND REPORTS 5-4
5.5 NOMENCLATURE 5-4
5.6 ON-SITE PRESENCE 5-4
5.7 COMMUNICATION 5-5
5.8 WORKLOAD IDENTIFICATION NUMBERS 5-5
5.9 ACCESS TO OUTGOING MAC INFORMATION 5-6
5.10 DELIVERABLES 5-6
5.10.1 Deliverables List 5-7
5.10.2 Contract Deliverables 5-8
5.11 JOINT OPERATING AGREEMENTS 5-8
5.12 MEMORANDUM OF UNDERSTANDING 5-10

CHAPTER 6: INCOMING MAC: OBTAINING RESOURCES AND ESTABLISHING INFRASTRUCTURE 6-1

6.1 PERSONNEL 6-1
6.1.1 Recruitment of Outgoing MAC Staff 6-1
6.1.2 General Recruitment 6-2
6.1.3 Employment Report 6-2
6.1.4 Training 6-2
6.2 SITE ACQUISITION/FACILITIES PREPARATION 6-3
6.3 HARDWARE/SOFTWARE 6-3
6.4 ASSET INVENTORY 6-4
6.5 TELECOMMUNICATIONS – DATA 6-4
6.5.1 Background 6-5
6.5.2 Requirements 6-5
6.5.3 Obtaining Telecommunication Services 6-6
6.5.4 Points of Emphasis 6-6
6.6 TELECOMMUNICATIONS – VOICE 6-6
6.7 DATA CENTER 6-7
6.8 ELECTRONIC DATA INTERCHANGE (EDI) 6-8

6.8.1 General 6-8
6.8.2 EDI: Part A/Part B Medicare Administrative Contractor 6-9
6.8.3 EDI: DME Medicare Administrative Contractor 6-12
6.9 ELECTRONIC FUNDS TRANSFER FORM CMS-588 6-14
6.10 PORTAL INFORMATION 6-14
6.11 ACCESS TO CMS SYSTEMS 6-15
6.12 SECURITY REVIEWS 6-16

CHAPTER 7: INCOMING MAC: TRANSFER OF MAC FUNCTIONS AND OPERATIONS 7-1

7.1 OVERVIEW 7-1
7.2 INITIAL OPERATIONAL ASSESSMENT/DUE DILIGENCE 7-2
7.2.1 General 7-2
7.2.2 Areas of Focus 7-2
7.2.3 Specific Assessment Activities 7-3
7.3 OPERATIONAL ASSESSMENT/DUE DILIGENCE FINDINGS 7-7
7.4 FUNCTIONAL AREA ASSESSMENTS 7-7
7.4.1 Claims Processing 7-7
7.4.2 Customer Service 7-8
7.4.3 Medicare Secondary Payer (MSP) 7-8
7.4.4 Medical Review 7-9
7.4.5 Appeals 7-10
7.4.6 Provider Audit and Reimbursement 7-10
7.4.7 Provider Enrollment 7-11
7.4.8 Provider Education and Training 7-12
7.5 PRINT/MAIL OPERATIONS 7-12
7.6 DETERMINING STOP WORK DATES 7-13
7.7 FILE INVENTORY 7-14
7.7.1 General 7-14
7.7.2 Mainframe 7-15
7.7.3 LAN/PC-Based Files 7-16
7.7.4 Hardcopy 7-16

CHAPTER 8: INCOMING MAC: COMMUNICATIONS 8-1

8.1 GENERAL 8-1
8.2 COMMUNICATION PLAN 8-1
8.3 PUBLIC ANNOUNCEMENT OF AWARD 8-2
8.4 CONGRESSIONAL CONTACT 8-2
8.5 STATE AND LOCAL GOVERNMENT CONTACT 8-3
8.6 PROVIDER COMMUNICATION 8-3
8.6.1 Professional Organization Contact 8-3
8.6.2 Provider Contact 8-4
8.6.3 Provider Workshops/Seminars/Teleconferences 8-4
8.7 BENEFICIARY COMMUNICATION 8-5
8.8 SOCIAL SECURITY ADMINISTRATION 8-6
8.9 TRANSITION PARTNERS 8-6
8.10 INTERNAL COMMUNICATIONS 8-6
8.11 WEBSITE 8-6
8.12 LISTSERV 8-7
8.13 ARU/IVR 8-7
8.14 CUTOVER 8-7

CHAPTER 9: INCOMING MAC: TESTING 9-1

9.1 OVERVIEW 9-1
9.2 TEST PLAN 9-1

9.2.1 Scope/Approach *9-2*
9.2.2 Roles and Responsibilities *9-2*
9.2.3 Types of Tests *9-2*
9.2.4 Resources *9-7*
9.2.5 Schedule *9-7*
9.2.6 Processes and Documentation *9-7*
9.2.7 Risks *9-7*

CHAPTER 10: INCOMING MAC: FINANCIAL PROCESSES 10-1

10.1 GENERAL 10-1
10.2 BANKING 10-1
10.3 INVOICE SUBMISSION AND PROTOCOL 10-2
10.4 IMPLEMENTATION COSTS 10-2
10.5 ACCOUNTS RECEIVABLE REVIEW 10-3
10.5.1 General *10-3*
10.5.2 Accounts Receivable Reconciliation Process *10-3*
10.5.3 Documentation and Financial Reporting *10-4*
10.6 BCRC COORDINATION 10-4
10.7 POST-CUTOVER 10-5
10.7.1 Outstanding Provider Payment Checks *10-5*
10.7.2 Cash Receipts/Cash Refunds *10-5*
10.8 IRS FORM 1099 RESPONSIBILITIES 10-6

CHAPTER 11: INCOMING MAC: MEETING AND DOCUMENTATION REQUIREMENTS 11-1

11.1 MEETINGS 11-1
11.1.1 Post-Award Orientation Conference *11-1*
11.1.2 Incoming MAC Pre-Meeting *11-1*
11.1.3 Jurisdiction Kickoff Meeting *11-2*
11.1.4 Segment Kickoff Meeting *11-2*
11.1.5 Weekly Management Update Meeting *11-2*
11.1.6 Project Status Meeting *11-3*
11.1.7 Transition Workgroup Meetings *11-3*
11.1.8 BCRC Coordination Meeting *11-4*
11.1.9 "Go/No-Go" Call *11-4*
11.1.10 Cutover Meeting *11-4*
11.1.11 Post-Project Review Meeting (Lessons Learned) *11-4*
11.2 DOCUMENTATION 11-5
11.2.1 Jurisdiction Implementation Project Plan *11-5*
11.2.2 Jurisdiction Implementation Project Plan Update *11-5*
11.2.3 Segment Implementation Project Plan *11-6*
11.2.4 Segment Implementation Project Plan Update *11-6*
11.2.5 Implementation Project Status Report *11-6*
11.2.6 Workgroup Meeting Minutes *11-8*
11.2.7 Issues Log/Action Items *11-9*
11.2.8 Test Plan *11-9*
11.2.9 Test Plan Update *11-9*
11.2.10 Communication Plan *11-9*
11.2.11 Communication Plan Update *11-10*
11.2.12 Risk Management Plan *11-10*
11.2.13 Risk Management Plan Update *11-10*
11.2.14 EDI Progress Report *11-10*
11.2.15 Employment Report *11-11*

11.2.16 File Transfer Plan *11-11*
11.2.17 Cutover Plan *11-12*
11.2.18 Cutover Reminder *11-12*
11.2.19 Cutover Update *11-12*
11.2.20 Post-Cutover Workload Report *11-13*
11.2.21 Lessons Learned *11-13*

CHAPTER 12: OUTGOING MAC: CLOSEOUT ACTIVITIES AND INTERACTION WITH INCOMING MAC 12-1

12.1 CLOSEOUT APPROACH 12-1
12.2 CLOSEOUT PROJECT TEAM 12-1
12.3 CLOSEOUT PROJECT PLAN 12-2
12.4 RISK MANAGEMENT 12-3
12.5 BASELINE WORKLOAD 12-3
12.6 PERSONNEL ACTIONS 12-4
12.6.1 Employment Within the Company *12-4*
12.6.2 Incoming MAC Employment *12-4*
12.6.3 Employee Termination *12-5*
12.7 INTERNAL COMMUNICATIONS 12-5
12.8 INTERACTION WITH THE INCOMING MAC 12-6
12.9 INCOMING MAC ON-SITE PRESENCE 12-6
12.10 ACCESS TO INFORMATION 12-7
12.11 NOMENCLATURE 12-7
12.12 DELIVERABLES 12-8
12.13 ASSET INVENTORY 12-9
12.14 INITIAL OPERATIONAL ASSESSMENT/DUE DILIGENCE 12-10
12.14.1 General *12-10*
12.14.2 Areas of Focus *12-10*
12.14.3 Specific Assessment Activities *12-11*
12.15 OPERATIONAL ASSESSMENT/DUE DILIGENCE FINDINGS 12-14
12.16 FUNCTIONAL AREA ASSESSMENTS 12-15
12.16.1 Claims Processing *12-15*
12.16.2 Provider Customer Service *12-15*
12.16.3 Medicare Secondary Payer *12-16*
12.16.4 Medical Review *12-16*
12.16.5 Appeals *12-16*
12.16.6 Provider Audit and Reimbursement *12-17*
12.16.7 Provider Enrollment *12-18*
12.16.8 Provider Education and Training *12-18*
12.17 EDI ASSESSMENT 12-19
12.17.1 Early Boarding *12-19*
12.17.2 Electronic Funds Transfer *12-20*
12.18 PRINT/MAIL OPERATIONS 12-20
12.19 ASSISTING INCOMING MAC COMMUNICATION EFFORTS 12-21
12.19.1 General *12-21*
12.19.2 Provider Communication *12-21*
12.19.3 Beneficiary Communications *12-22*
12.20 LICENSES 12-23
12.21 DETERMINING STOP WORK DATES 12-23
12.22 FILE INVENTORY 12-24
12.22.1 General *12-24*
12.22.2 Mainframe Files *12-25*
12.22.3 LAN/PC-Based Files *12-25*

12.22.4 Hardcopy Files *12-25*
12.23 CONTRACT COMPLIANCE 12-26
12.24 CUTOVER 12-26

CHAPTER 13: OUTGOING MAC: FINANCIAL PROCESSES 13-1

13.1 GENERAL 13-1
13.2 BANK ACCOUNTS AND REPORTS 13-1
13.3 ACCOUNTS RECEIVABLE REVIEW 13-2
13.3.1 General *13-2*
13.3.2 Accounts Receivable Reconciliation Process *13-2*
13.3.3 Reporting and Documentation *13-3*
13.4 BCRC COORDINATION 13-3
13.5 PSOR RECONCILIATION 13-4
13.6 POST-CUTOVER REPORTING 13-4
13.7 POST-CUTOVER FINANCIAL ACTIONS 13-5
13.7.1 Outstanding Provider Payment Checks *13-5*
13.7.2 Cash Receipts/Cash Refunds *13-5*
13.8 AUDITS AND OTHER ISSUES 13-6
13.9 1099 RESPONSIBILITIES 13-7

CHAPTER 14: OUTGOING MAC: MEETINGS AND DOCUMENTATION 14-1

14.1 MEETINGS 14-1
14.1.1 Outgoing MAC Pre-Meeting *14-1*
14.1.2 Jurisdiction Kickoff Meeting *14-1*
14.1.3 Segment Kickoff Meeting *14-2*
14.1.4 Project Status Meeting *14-2*
14.1.5 Workgroup Meetings *14-3*
14.1.6 Outgoing MAC Weekly Management Closeout Update *14-3*
14.1.7 BRCR Coordination Meeting *14-3*
14.1.8 "Go/No-Go" Call *14-3*
14.1.9 Cutover Meeting *14-4*
14.1.10 Post-Project Review Meeting (Lessons Learned) *14-4*
14.2 DOCUMENTATION 14-4
14.2.1 Closeout Project Plan (CPP) *14-4*
14.2.2 Closeout Project Plan Update *14-5*
14.2.3 Risk Management Plan *14-5*
14.2.4 Risk Management Plan Update *14-5*
14.2.5 Closeout Project Status Report *14-5*
14.2.6 Issues Log/Action Items *14-7*
14.2.7 Baseline Workload Data *14-7*
14.2.8 Workload Report *14-7*
14.2.9 Staffing Report *14-8*
14.2.10 Asset Inventory *14-8*
14.2.11 File Inventory *14-9*
14.2.12 File Transfer Plan *14-9*
14.2.13 Lessons Learned *14-9*

CHAPTER 15: CUTOVER 15-1

15.1 DEFINITIONS 15-1
15.2 CUTOVER WORKGOUP 15-2
15.3 CUTOVER PLAN 15-2
15.4 DAILY CUTOVER MEETING 15-3
15.5 CUTOVER REMINDER 15-4

15.6 "GO/NO-GO" CALL 15-4
15.7 CUTOVER SIMULATION 15-5
15.8 FINANCIAL CONSIDERATIONS 15-6
15.9 SYSTEM DARK DAYS 15-6
15.9.1 Definition 15-6
15.9.2 Number of Days 15-6
15.9.3 Timing 15-7
15.9.4 Dark Day Effects 15-7
15.9.5 "Dim" Day 15-7
15.9.6 CMS Approval 15-8
15.10 RELEASE OF THE PAYMENT FLOOR 15-8
15.11 DATA MIGRATION 15-9
15.11.1 File Inventory 15-9
15.11.2 File Transfer Plan 15-10
15.11.3 Final File Inventory 15-10
15.11.4 File Format 15-11
15.11.5 Encryption 15-11
15.11.6 Packing 15-12
15.11.7 Transfer of Hardcopy Files and Physical Assets 15-12
15.11.8 Disposition of Records 15-13
15.12 SEQUENCE OF SYSTEM CUTOVER ACTIVITIES 15-13
15.12.1 System Closeout 15-13
15.12.2 Back Up 15-13
15.12.3 Transfer and Installation 15-14
15.12.4 Data Conversion 15-14
15.12.5 Initial System Checkout 15-14
15.12.6 Functional Validation of System 15-14
15.12.7 First Incoming MAC Production Cycle 15-14
15.13 REPORTING 15-15
15.14 CUTOVER COMMUNICATION 15-15

CHAPTER 16: POST-CUTOVER 16-1

16.1 GENERAL 16-1
16.2 INCOMING MAC RESPONSIBILITIES 16-1
16.2.1 First Day of Operations 16-1
16.2.2 Post-Cutover Monitoring 16-2
16.2.3 Workload Reporting 16-2
16.2.4 Financial Coordination 16-3
16.2.5 Assisting Outgoing MAC 16-3
16.2.6 Access to Files and Records after Cutover 16-3
16.2.7 Project Closeout 16-4
16.3 OUTGOING MAC RESPONSIBILITIES 16-4
16.3.1 Operations Wrap-up 16-4
16.3.2 Reporting and Financial Wrap-up 16-5
16.3.3 Employee Access to CMS Systems 16-5
16.3.4 Disposition of Files 16-6
16.3.5 Outgoing MAC Access to Files and Records after Cutover 16-6
16.3.6 Closeout Assessment Review Process 16-6
16.4 LESSONS LEARNED 16-6
16.5 POST-PROJECT REVIEW MEETING (LESSONS LEARNED) 16-7

CHAPTER 17: RISK MANAGEMENT 17-1

17.1 GENERAL 17-1
17.2 RISK MANAGEMENT PROCESSES 17-1
17.2.1 Risk Identification 17-1
17.2.2 Risk Analysis 17-1
17.2.3 Risk Response 17-2
17.2.4 Risk Management Plan 17-2
17.2.5 Risk Monitoring 17-3

CHAPTER 18: CONTRACT TRANSITION 18-1

18.1 BACKGROUND 18-1
18.2 CONTRACT TRANSITION APPROACH 18-2
18.3 TRANSITION ORGANIZATION 18-2
18.4 CONTRACT TRANSITION KICKOFF 18-2
18.4.1 Topics of Discussion 18-3
18.4.2 Post-Award Orientation Conference 18-3
18.5 CONTRACT TRANSITION PLAN (CTP) 18-4
18.6 DOCUMENTATION AND MEETINGS 18-5
18.7 CONTRACTOR IDENTIFICATION NUMBER 18-5
18.8 FINANCIAL CLOSEOUT 18-5
18.9 CUTOVER 18-6
18.10 LESSONS LEARNED 18-6

LIST OF EXHIBITS .....

EXHIBIT 1 MAC CONTRACT ADMNISTRATIVE STRUCTURE .....
EXHIBIT 2 MAJOR TASKS AND ACTIVITIES ASSOCIATED WITH A WORKLOAD TRANSITION .....
EXHIBIT 3 REQUESTED INFORMATION /DOCUMENTATION FROM THE OUTGOING MAC.....
EXHIBIT 4 SAMPLE BASELINE WORKLOAD TEMPLATES .....
EXHIBIT 5 TYPES OF FILES TO BE TRANSFERRED TO A MEDICARE ADMINISTRATIVE CONTRACTOR .....
EXHIBIT 6 WORKLOAD TRANSITION MEETING AND DOCUMENTATION GUIDE .....
EXHIBIT 8 FILE AND RECORD TRANSFER PLAN CONTENTS.....
EXHIBIT 9 MEDICARE CONTRACTOR TRANSITION ELECTRONIC TRANSMITTAL FORM..
EXHIBIT 10 COORDINATION OF BENEFITS AGREEMENT (COBA) ACH ELECTRONIC CREDIT AUTHORIZATION.....
EXHIBIT 11 CUTOVER POINTS OF CONTACT FOR PERIPHERAL SYSTEM/INTERFACES.....
EXHIBIT 12 POST-CUTOVER WORKLOAD REPORTING CATEGORIES AND ELEMENTS.....
EXHIBIT 13 SAMPLE FINANCIAL CLOSEOUT LETTER.....
EXHIBIT 14 WORKLOAD TRANSISTION LESSONS LEARNED.....
EXHIBIT 15 GLOSSARY .....
EXHIBIT 16 ACRONYMS .....

INDEX .....

Chapter 1: INTRODUCTION

1.1 Medicare Administrative Contractor Workload Transition Handbook

The *Medicare Administrative Contractor Workload Transition Handbook* has been prepared by CMS to assist contractors with the transfer of Medicare claims processing and administrative functions from one Medicare Administrative Contractor (MAC) to another. It describes the basic responsibilities and processes for moving Medicare data, files, and operational activities from an outgoing MAC so that an incoming MAC will be able to perform its Medicare claims processing contractual obligations. The handbook represents a compilation of best practices, lessons learned, and over 35 years of CMS experience in overseeing Medicare workload transitions.

The handbook combines the *Workload Implementation Handbook for Medicare Administrative Contractor Jurisdictions* and the *Workload Closeout Handbook for Medicare Administrative Contractors* and updates the information that was contained in those documents. This single document consists of chapters containing general transition information that is useful and common to both the incoming and outgoing MACs, as well as chapters specific to the incoming MAC's implementation activities and the outgoing MAC's closeout activities.

In addition, the handbook will provide information regarding a contract transition, which will occur when an incumbent MAC is awarded a subsequent contract for the jurisdiction that it currently services.

Every Medicare workload transition will vary depending on the unique circumstances and environment of the Medicare Administrative Contractors involved. There may be activities and processes described in the handbook that will not be applicable to a specific transition. There may also be activities that will need to be performed that the handbook does not cover. While 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 or outgoing MAC will be responsible, it will provide the framework for a successful workload transition and guidance in addressing issues that may arise.

This **June 10, 2014** version of the Medicare Administrative Contractor Workload Transition Handbook s is comprised of **18** chapters, **16** exhibits, and an index.

1.1.1 Chapters

1. **Chapter 1**: **Introduction** provides an overview of the handbook, defines terms, and discusses the goals for a successful workload transition.

2. **Chapter 2: CMS Organization** details the duties and responsibilities of CMS's transition oversight staff.

3. **Chapter 3: Interaction with Other CMS Components and Functional Contractors** provides information on the various functional contractors that provide Medicare services for CMS. It also discusses the CMS components that will play a significant role in a workload transition.

4. **Chapter 4: Getting Started** describes the activities that are necessary to begin the transition process. It discusses establishment of the implementation and closeout teams, kickoff meetings, and the organization and function of transition workgroups. The chapter also addresses initial notification activities.

5. **Chapter 5: Incoming MAC: Implementation Management** discusses the approach and management of the incoming MAC's implementation activities. Topics include the development of the project plan, a discussion on information and deliverables required from the outgoing MA, and joint operating agreements.

6. **Chapter 6: Incoming MAC: 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).

7. **Chapter 7: Incoming MAC: Transfer of MAC Functions and Operations** describes the activities associated with moving the actual workload and Medicare functions of the outgoing MAC. This includes the assessment of the outgoing MAC's Medicare operations and the analysis of its functional areas, file inventory, and determining stop work dates.

8. **Chapter 8: Incoming MAC: 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.

9. **Chapter 9: Incoming MAC: Testing** discusses the establishment of a test plan. It also describes the various tests that the incoming MAC may use to ensure that it will be able to process claims and perform its Medicare functions.

10. **Chapter 10: Incoming MAC: 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 IRS Form

1099 requirements. There is also a section that provides information on invoices and payment protocols.

11. **Chapter 11: Incoming MAC: Meeting and Documentation Requirements** describes the various meetings, reports, and documentation that are required during an implementation so that CMS may monitor the incoming MAC's progress.

12. **Chapter 12: Outgoing MAC: Closeout Activities and Interaction with Incoming MAC** deals with the activities that the outgoing MAC will take to close out its Medicare operations and assist the incoming MAC in its implementation efforts. The chapter discusses personnel issues, deliverable requests, information access, and the incoming MAC's operational assessment. It also covers communications, disposition of assets, and file transfer activities.

13. **Chapter 13: Outgoing MAC: Financial Processes** provides information on the financial activities required to move the Medicare workload and close out its Medicare contract. It discusses closeout costs, cash management and banking tasks, the accounts receivable reconciliation, financial audits, and IRS Form 1099 requirements.

14. **Chapter 14: Outgoing MAC: Meetings and Documentation** describes the meetings, reports, and documentation that are required by CMS in order to effectively monitor the outgoing MAC's closeout.

15. **Chapter 15: Cutover** covers the actual migration of records, files, and data (both physically and electronically) to the incoming MAC, as well as any resources and infrastructure. The chapter also provides information on cutover and file transfer plans, system dark days, and the release of the payment floor.

16. **Chapter 16: Post-Cutover** describes the various incoming and outgoing MAC activities that take place after cutover, including workload reporting and lessons learned.

17. **Chapter 17: Risk Management** discusses risk management processes including risk assessment, risk mitigation, and contingency plans.

18. **Chapter 18: Contract Transition** contains information on activities that should be performed when an incumbent MAC is awarded a subsequent contract for the jurisdiction that it currently services or is awarded a consolidated jurisdiction that includes the jurisdiction that it currently services.

1.1.2 Exhibits

Exhibit 1 MAC Contract Administrative Structure

Exhibit 2 Major Tasks and Activities Associated with a Workload Transition

Exhibit 3 Requested Information/Documentation from Outgoing MAC

Exhibit 4 Sample Outgoing MAC Baseline Workload Report Templates

Exhibit 5 Types of Files to be Transferred to a Medicare Administrative Contractor

Exhibit 6 Workload Transition Meeting and Documentation Guide

Exhibit 7 MAC Cutover and Workload Transfer Planning Document

Exhibit 8 File and Record Transfer Plan Contents

Exhibit 9 Medicare Contractor Transition Electronic Transmittal Form

Exhibit 10 Coordination Benefits Agreement (COBA) ACH Electronic Credit Authorization

Exhibit 11 Cutover Points of Contact for Peripheral System/Interfaces

Exhibit 12 Post-Cutover Workload Reporting Categories and Elements

Exhibit 13 Sample Financial Closeout Letter

Exhibit 14 Workload Transition Lessons Learned

Exhibit 15 Glossary

Exhibit 16 Acronyms

1.1.3 Index

A comprehensive index is found at the end of the handbook.

1.2 Transition Phases

During a workload transition there will be several different phases of activity for each of the Medicare Administrative Contractors involved.

1.2.1 Incoming MAC Transition Phases

The **pre-award phase** is comprised of the activities associated with preparing and submitting a proposal for the MAC contract.

The **implementation phase** covers the activities associated with establishing a MAC operation and the transfer of data, files, and functions from the outgoing MAC. It begins with the award of a MAC contract and ends with the cutover from the outgoing MAC.

The **post-cutover** phase begins with the incoming MAC's operational start date and continues for a CMS-designated period of time, usually 2-3 months. During this time CMS closely monitors MAC operations to determine if the implementation was successful and to ensure that all implementation issues have been resolved.

The handbook provides information that will assist the incoming MAC in all three phases of the transition. However, its primary focus is on the **implementation** and **post-cutover** phases.

1.2.2 Outgoing MAC Transition Phases

The **operations phase** is comprised of the normal Medicare activities that occur during the procurement process prior to the award of a new MAC contract. Generally, transition activities in this phase are not extensive and are largely dependent upon whether or not the outgoing MAC has submitted a proposal for the jurisdiction it is currently servicing. If a proposal was submitted, there will be minimal transition activity and normal Medicare operations would continue until the MAC contract is announced. However, if the outgoing MAC did not submit a proposal for its jurisdiction, then it may take some initial steps described in the handbook to prepare for the transition and closeout.

The **closeout phase** begins at contract award (or commencement of transition activities after the resolution of a protest) and ends at the outgoing MAC's operational cutover to the incoming MAC. During this time the outgoing MAC works with the incoming MAC to transfer Medicare data, records, and functions and to shut down its Medicare operations.

The **post-cutover phase** begins at the cutover and continues until the outgoing MAC's contract period of performance ends. This is the period when the outgoing MAC closes out the financial and reporting aspects of its contract and completes any other contractually required activity that remains after the cutover.

While this handbook provides information on all three phases, its focus is on the **closeout** and **post-cutover** phases of the outgoing MAC's workload transition.

1.3 Terminology

For purposes of this handbook, the Medicare Administrative Contractor who will be assuming the Medicare functions of the outgoing MAC is referred to as the "**incoming MAC**" or "**IMAC**" (*eye-mack)*. Both terms are used interchangeably. The incoming MAC may also be referred to as the "**incoming contractor**" in general conversation.

The MAC that is ending its contract and transferring its Medicare functions to a new MAC is referred to as the "**outgoing MAC**" or "**OMAC**" *(oh-mack)*. Both terms are used interchangeably. The outgoing MAC may also be referred to as the "**outgoing contractor**" in general conversation.

Any reference to a MAC pertains to both Part A/Part B and DME Medicare Administrative Contractors, unless otherwise indicated. However, it is possible that there may be instances where items specific to each are not designated as such.

As used in this handbook, an **"incumbent"** MAC is the current Medicare Administrative Contractor for a jurisdiction who has been awarded a subsequent follow-on contract for the same jurisdiction based upon a competitive procurement.

A "**workload transition**" is defined as the period of time that encompasses the movement of Medicare operations and functions from an outgoing MAC to an incoming 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 MAC during a workload transition.

A "**contract transition**" is the process of closing out an incumbent MAC's current Medicare contract whose period of performance is ending (i.e., the old contract) and implementing the requirements of a subsequent follow-on contract that was awarded to the incumbent MAC for the same jurisdiction (i.e., the new contract).

A "**jurisdiction consolidation**" is the consolidation of two numbered jurisdictions into a single alpha-designated jurisdiction (e.g., Jurisdiction 13 and Jurisdiction 14 combined to form Jurisdiction K).

The terms "**Medicare claims processor**" and "**Medicare claims administrator**" refer to any entity that performs Medicare claims processing and administrative functions; i.e., a Medicare Administrative Contractor. Both terms are used interchangeably.

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.

The term "**deliverable**" is used in two different manners:

- It may refer to a document or information that is being requested from the outgoing MAC 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 maintained by the incoming MAC.

- The term also refers to a deliverable required as part of the MAC contract. This "**contract deliverable**" may be any information, data, report, document, item, service, etc. that the MAC is contractually required to submit to CMS. Contract deliverables are found in Section C (statement of work) or Section F of the MAC contract schedule.

1.4 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 incoming MAC, maintenance of existing Medicare operations by the outgoing MAC, and comprehensive oversight by CMS. All parties involved in a transition must cooperate fully and communicate constantly with all other parties at every level. This handbook will help both MACs achieve the abovementioned goals and meet their contractual obligations during the transition.

Chapter 2: CMS ORGANIZATION

There will be a number of CMS staff responsible for overseeing the implementation activities of the incoming MAC and the closeout activities of the outgoing MAC. Listed below are the individuals who will monitor Medicare Administrative Contractor transition activities, along with a description of their responsibilities. A CMS contract administration diagram for the MAC contracts is shown in **Exhibit 1, MAC Contract Administrative Structure**.

2.1 MAC Contracting Officers

The incoming MAC Contracting Officer (incoming CO or ICO) and the outgoing MAC Contracting Officer (outgoing CO or OCO) have the overall contract responsibility for their respective Medicare Administrative Contractor. The Contracting Officers are the only persons authorized to enter into and bind the government by contract. They are individuals that negotiate and prepare the MAC contract documents, modify any terms or conditions of the contracts, accept delivered services, and approve invoices for payment. They work closely with their Contracting Officer's Representatives to administer the contract, evaluate performance, and provide payment. While a single person could be both the incoming and outgoing CO, they are normally two different individuals. Both COs will have a Contract Specialist to assist with the contractual administration of the MAC contract. Contracting Officers are part of CMS's Office of Acquisition and Grants Management (OAGM).

2.2 MAC Contract Specialists

The incoming and outgoing MAC Contract Specialists are the front-line staff who represent the ICO and OCO and have the day-to-day responsibility for handing MAC contract administration issues. Contract Specialists cannot contractually bind the government regarding supplies or services.

2.3 Contracting Officer's Representative

The Medicare Contractor Management Group (MCMG) within the Center for Medicare (CM) has the responsibility for the program management of the Medicare Administrative Contractors. As such, MCMG will have the oversight responsibility for the transition of the outgoing MAC's workload to the incoming MAC.

The MCMG Contracting Officer's Representative (COR) is the MAC's first point of contact for the technical administration of its Medicare contract. He/she is the focal point for the exchange of information and the receipt of programmatic approvals on

deliverables and other work specified under the MAC's 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's statement of work (SOW). He/she also monitors and evaluates MAC contract performance and reviews payment invoices and cost reports.

There will be an incoming COR (ICOR) and an outgoing COR (OCOR) involved in every workload transition. They may be the same or different individuals. Each COR is responsible for insuring that its MAC performs in accordance with the implementation or closeout requirements contained in the statement of work. A contract administration team (CAT) supports the COR in the administration of the MAC contract. The COR is also assisted by various Business Function Leads (BFLs) and Technical Monitors (TMs) who help the COR interpret Medicare program requirements and insure that the MAC understands the technical requirements of the 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.

2.4 Implementation Lead

The Implementation Lead (IL) will serve in a specialized technical capacity to the incoming COR during the incoming MAC's implementation. As a representative of the incoming COR, the IL will provide technical guidance on implementation activities. The Implementation Lead will manage CMS's oversight of the jurisdiction transition and will coordinate the incoming MAC implementation activities with the Closeout Lead or outgoing COR, the functional contractors' CORs, and all other involved parties.

The IL 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/troubleshooting during the implementation and will be responsible for reporting to senior management. He/she may also review invoices for jurisdiction implementation activities and provide recommendations to the incoming COR.

2.5 Closeout Lead

Normally, the outgoing MAC closeout activities will be monitored by the Closeout Lead. The CL will serve as the counterpart to the Implementation Lead for the outgoing MAC. He/she will represent the outgoing COR and oversee the workload closeout activities that are required to be completed by the outgoing MAC. The CL will also provide input on technical issues, schedules, and payment vouchers. If for some reason a Closeout Lead is not assigned to a transition, the outgoing COR will perform the Closeout Lead functions described in this handbook.

2.6 Information Technology Specialist

During a transition, the Information Technology Specialist will be responsible for coordinating and facilitating IT related issues with the incoming and outgoing MACs, the incoming and outgoing CORs, and the Implementation and Closeout Leads. He/she will work with the CORs or GTLs of the various functional contractors (e.g., Virtual Data Center, shared system maintainers, CWF) regarding IT transition activities. The IT Specialist will also be involved with system security issues and will be a member of the jurisdiction Contract Administration Team (CAT). In addition, he/she will support and coordinate system-related issues with the various Business Function Leads.

2.7 Business Function Lead

A Business Function Leads (BFL) is a subject matter expert on specific program areas such as appeals, audit and reimbursement, provider enrollment, etc. Business Function Leads work closely with the COR and may be called upon to assist the COR in the implementation and administration of a MAC contract. BFLs 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.**

2.8 Technical Monitors

Technical Monitors (TMs) are normally 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 a BFL in the performance of technical evaluations and inspections and may also provide input to monthly and quarterly contract administration meetings.

During a transition the RO will normally assign a lead TM to work with the CMS transition team. The TM will provide specific contract performance information and will work at a local level to facilitate a smooth transition for beneficiaries and providers. He/she will work with providers and their associations/societies to ensure that information is flowing smoothly and that providers understand how they will be affected by the transition. The TM will provide the Implementation Lead with any significant issues that have the potential to negatively impact the provider community so that they

may be coordinated with the contractor. The TM will also provide updates and meet with local Congressional staff to keep them informed of the transition progress. 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.**

2.9 Functional Contractors

There are a number of functional contractors associated with Medicare claims processing that will be involved in transition activities (e.g., Virtual Data Center, Shared System Maintainer, Program Safeguard Contractor, Beneficiary Contact Center, Common Working File, etc.). These contractors will participate in various transition workgroup meetings and attend general status meetings. These contractors are administered by other CMS components in the same manner as the MAC contracts. The incoming and outgoing CORs, as well as the Implementation and Closeout Leads, will work closely with the CMS personnel that administer these functional contractors to ensure that all parties are working within their respective statements of work and that no unauthorized commitments are made to any contractor. See **Chapter 3, Interaction With Other CMS Components and Functional Contractors** immediately following.

Chapter 3: INTERACTION WITH OTHER CMS COMPONENTS AND FUNCITONAL CONTRACTORS

3.1 Overview

CMS maintains a number of functional contractors to administer aspects of the Medicare program. The incoming MAC is required to interface with CMS components and functional contractors in order to perform its contractual obligations. During the implementation, the IMAC's level of interaction with these entities 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. The communication and operating requirements that take place between functional contractors and Medicare Administrative Contractors are administered through Joint Operating Agreements (JOAs). The incoming MAC must enter into a JOA with certain functional contractors to formalize the functions that each will perform. The JOA provides clarification of both contractors' roles, responsibilities, and respective duties. See **Chapter 5.11** for additional information on Joint Operating Agreements.

It is possible that the Contracting Officer's Representative or Government Task Leader (GTL) for a 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.

3.2 Virtual Data Center (VDC)

The incoming MAC must utilize the services of a CMS-designated Virtual Data Center. Virtual Data Centers were established to provide geographically dispersed data centers owned and operated by a pool of industry partners which are under the control of a single procurement vehicle. The Virtual Data Center was formally known as the Enterprise Data Center (EDC). The VDC houses the Part A (FISS), Part B (MCS), and DME (VMS) standard systems and provides the necessary hardware, application software, resources, and supplies necessary for base (and some non-base) Medicare claims processing services. There are currently two VDC contractors; there is also a contractor that operates CMS's data center in Baltimore.

The VDC is an integral partner in the transition process. It will be a key participant in the incoming MAC's implementation effort and the outgoing MAC's closeout. A data center point person will be identified for transition-related issues and a representative will be in attendance at the kickoff meeting. The VDC will be a member of a number of transition workgroups and it is expected that the data center will be present at all weekly project status meetings. The VDC should develop its own transition project plan, which will be coordinated with the IMAC's Jurisdiction Implementation Project Plan (JIPP) and the outgoing MAC's Closeout Project Plan (CPP).

The incoming MAC and the VDC must enter into a Joint Operating Agreement (JOA) that will document the services and support required of each party. The incoming MAC must adhere to all operational processes and procedures that the VDC establishes with its users. If necessary, a sample MAC/VDC Joint Operating Agreement will be provided to the IMAC so that it can understand what services, standards, and obligations are to be included in its own document. If there is a need for any services beyond those specified in the CMS/VDC contract in order to meet the requirements in its statement of work or proposal, the incoming MAC will need to provide those services itself or through other contractors.

Data center connectivity must be established between the IMAC's operational site(s), the VDC, and any IT facility supporting the IMAC (e.g., front end and/or back end services not provided by the VDC or non-base applications/services). The incoming MAC is only responsible for telecommunications to the CMSnet. The CMSnet-to-VDC interface is the responsibility of the VDC. For additional information on data telecommunications, see **Chapter 6.5**.

The incoming MAC will need to 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 CROWD, CSAMS reporting, PECOS, and other software applications. All areas must be tested to ensure that access is appropriate and that reports can be submitted timely.

The VDC will be heavily involved in the incoming MAC's testing. The IMAC will discuss its testing requirements with the VDC and coordinate its testing schedule. The IMAC will need to verify that workload regions at the VDC are properly installed, populated, and tested. It must also ensure that interfaces are established and tested (e.g, bank files, ARU/IVR, crossover processing, CWF, EDI processes, ZPIC/PSC, QIC, financial reporting, print interfaces, and IRS Form 1099). In addition, the incoming and outgoing MACs and the VDC will develop a User Acceptance Test (UAT) data transfer plan and production simulation plan for the implementation.

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

The incoming 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 incoming MAC identify any unique working relationship that the outgoing MAC may have with the ZPIC/PSC.

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 to promote the integrity of the Medicare program. It allowed PSCs to perform various program integrity functions; however, under the Medicare Modernization Act (MMA), the PSCs were limited to benefit integrity (fraud and abuse) activities only. CMS is currently in the process of establishing seven Zone Program Integrity Contractors to replace the existing PSCs. When all ZPICs have been established, Part A/Part B MACs will interact with a single ZPIC. However, several DME MACs will interact with multiple ZPICs.

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

The Contracting Officer's Representative 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 (**Chapter 15.3**), 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's COR will notify all relevant stakeholders (e.g., Department of Justice, Federal Bureau of Investigation, Office of Inspector General) 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 IMAC is responsible for referring any suspected fraud and abuse that it may find during its due diligence or other implementation activities to the ZPIC/PSC, regardless of the source.

3.4 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 BCC who is trained to handle routine claim-specific questions. Written and electronic inquiries will also be handled in the same manner. Each customer service representative 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 MAC 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 incoming 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 IMAC's implementation plan and cutover dates. A testing schedule should also be developed. The IMAC will also need to negotiate a Joint Operating Agreement (JOA) with the BCC that covers the interaction and responsibilities of both parties.

3.5 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 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 incoming MAC must meet with the QIC that is servicing the jurisdiction 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 IMAC's implementation plan and cutover dates in order to develop a plan for any outstanding work that it might have. After discussions with the QIC, the incoming and outgoing MACs will determine the date that the QIC will stop sending requests for information or effectuations to the OMAC so that the backlog can be reduced. The incoming MAC will also need to negotiate a Joint Operating Agreement (JOA) with the QIC that will detail the activities and responsibilities of each party.

3.6 Administrative Qualified Independent Contractor (AdQIC)

In addition to the Qualified Independent Contractor, the Benefits Improvement and Protection Act (BIPA) also provided for the establishment of an Administrative Qualified Independent Contractor. 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 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 and MACs. The incoming MAC will need to negotiate a Joint Operating Agreement (JOA) with the AdQIC.

3.7 Quality Improvement Organization (QIO)

A Quality Improvement Organization 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, comprehensive outpatient rehabilitation 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. The MAC processes payment adjustments submitted by the QIO based on medical necessity determinations and Diagnosis-Related Groups (DRG) validations, including corrections to the disposition code. The MAC will also receive notification of billing errors from the QIO and resolve the errors.

The incoming MAC will need to contact the QIO that is servicing the jurisdiction workload being transferred to discuss the transition. The IMAC should obtain a copy of the Joint Operating Agreement (JOA) between the QIO and the outgoing MAC 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 incoming 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 MAC.

3.8 Recovery Auditor (RA)

Section 302 of the Tax Relief and Health Care Act of 2006 requires CMS to utilize Recovery Auditors under the Medicare Integrity Program to identify Medicare overpayments and underpayments to providers. The RA will recoup Medicare overpayments associated with services for which payment is made under Part A or B of Title XVIII of the Social Security Act. RAs are paid on a contingency fee basis, receiving a percentage of what they identify and collect in overpayments from providers. The Recovery Auditor was formerly known as the Recovery Audit Contractor (RAC).

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.

CMS has developed a strategy to keep RA activities from interfering with workload transitions. Generally, an outgoing MAC's recovery auditing will be suspended for a period of time prior to cutover to allow for completion of existing work. Once cutover occurs, RA activity with the incoming MAC will also be delayed for a designated period of time following cutover. The incoming MAC should contact the Recovery Auditor's Contracting Officer's Representative to determine the blackout time period for the transition. This will allow the incoming MAC to focus on operations and claims processing activities for a period of time before working with the Recovery Auditor.

The incoming MAC will negotiate a Joint Operating Agreement (JOA) with the RA covering the interaction and responsibilities of both parties. CMS or the RA will provide the IMAC with a sample JOA for use in negotiating the agreement.

3.9 Benefits Coordination and Recovery Center (BCRC)

The incoming MAC will need to interface with the Benefits Coordination and Recovery Center on Medicare secondary payer (MSP) issues and crossover claims. These functions were formerly performed by the Coordination of Benefits Contractor (COBC) and the Medicare Secondary Payer Recovery Contractor (MSPRC), which were merged in February 2014 to create the BCRC.

The Benefits Coordination & Recovery Center is responsible for the coordination of benefits process that identifies other payers that have primary or supplemental payment responsibilities for a Medicare beneficiary and incorporates that information into the MAC's claims processing operation. It ensures that claims are paid correctly by identifying the health benefits available to the beneficiary; coordinating the payment process; and ensuring that the primary payer, whether Medicare or some other insurer, pays first. The BCRC is a centralized operation that consolidates data regarding the collection, management, and reporting of a Medicare beneficiary's other insurance coverage. The contractor ensures that the primary payer 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.

The BCRC also performs all Medicare secondary payer (MSP) recovery work for non-group health plans (NGHPs). These plans include auto or other liability insurance (including self-insurers), no-fault insurance, and workers' compensation plans. The BCRC identifies conditional payments that were made by Medicare which were subsequently determined to be the responsibility of NGHPs. It is responsible for ensuring that Medicare recovers any conditional payments that are made related to a NGHP claim.

The BCRC and incoming MAC will develop a Joint Operating Agreement covering the requirements and responsibilities of each party. CMS or the BCRC will provide the incoming MAC with a sample JOA for use in negotiating an agreement. Also see **Chapter 10.6** and **Chapter 13.4** for BCRC coordination activities prior to cutover.

3.10 Commercial Repayment Center (CRC)

In May 2013, the Commercial Repayment Center (CRC) began to perform all Medicare Secondary Payer recovery work for group health plan (GHP) debts. Prior to that time, GHP recovery was handled by the Medicare Secondary Payer Recovery Contractor. The CRC identifies and recovers payment where another insurer had primary payment responsibility under a group health plan agreement. After recovery actions have failed, delinquent debts are referred to the Department of Treasury for further collection action. The incoming MAC will enter into a Joint Operating Agreement with the CRC covering the interaction and responsibilities of both parties. CMS or the CRC will provide the incoming MAC with a sample JOA for use in negotiating an agreement.

3.11 Appeals Support Contractor (ASC)

The Appeals Support Contractor assists the Part A/Part B 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 incoming MAC will need to negotiate a Joint Operating Agreement (JOA) with the ASC covering the interaction and responsibilities of both parties.

3.12 DME - National Supplier Clearinghouse (NSC)

The National Supplier Clearinghouse enrolls Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) suppliers in the Medicare program. The NSC issues Medicare supplier numbers, maintains supplier identification and ownership data, as well as business data, and denies or revokes supplier billing numbers. The NSC maintains a national master file of all suppliers and shares that information with the Durable Medical Equipment (DME) MACs to facilitate their responsibilities in provider relations and claims processing.

The national master file allows the NSC to identify, qualify, and associate suppliers serving multiple areas. The NSC accomplishes the association by assigning a unique "base" number to a supplier having a single tax reporting or employer identification number (EIN) with multiple locations. The base number will have modifiers identifying each of the branch offices or unique locations associated with that supplier from which items are provided to Medicare beneficiaries. The resultant Medicare NSC supplier billing number is supplied to the DME MAC and is used by the MAC to establish supplier eligibility for claims payment.

The NSC serves all four DME MACs and is not directly involved in the day-to-day claims processing and other business activities of the MAC. However, the DME MAC must maintain systems interfaces with the NSC to facilitate data exchange and “alert indicators”. The NSC will receive and maintain “alert indicators” from the DME MAC regarding suppliers who may be suspected of fraudulent claims, violating Medicare participation agreements or disclosure requirements, suspended for various reasons, or in overpayment recovery status. The NSC will append the supplier file and transfer alert indicators to the MACs for suppliers with standards violations, criminal and administrative sanctions, and being investigated under the "Do Not Forward" initiative.

The incoming DME MAC must meet with the NSC to discuss and agree upon the protocols for forwarding information. Telephone and data communications network connections must be established and tested. The NSC should be aware of the incoming MAC’s implementation plan and schedule. The incoming and outgoing DME MACs must determine the date that the NSC should stop sending master file updates and requests for information to the outgoing DME MAC, so that the backlog can be reduced. The incoming DME MAC must also negotiate a Joint Operating Agreement (JOA) with the NSC.

3.13 DME - Pricing Data Analysis and Coding (PDAC) Contractor

The Pricing Data Analysis and Coding (PDAC) contractor has four primary functions:

- Coordinate Health Care Common Procedure Coding System (HCPCS) Level II codes and update the file with all DME changes and distribute to all DME MACs and ZPIC/PSCs;
- Manipulate, analyze, distribute, and store national DMEPOS claims history data;
- Establish and distribute to DME MACs the national pricing files for oral anti-cancer drugs and other drugs; and
- Conduct data analysis, including trend analysis of policy groups, on regional and national totals and provide feedback to the DME MACs and ZPIC/PSCs.

The incoming DME MAC must meet with the PDAC contractor to determine what protocols will need to be established for the forwarding of information. The incoming MAC must ensure that all telephone and data communications network connections are established and tested. The PDAC contractor and the incoming DME MAC will also

need to coordinate cutover activities and the transfer of functions. In addition, the incoming MAC and the PDAC shall negotiate a Joint Operating Agreement.

3.14 DME - Common Electronic Data Interchange (CEDI) Contractor

The Common Electronic Data Interchange is a single, common front end application for DME processing that promotes standardization and allows greater efficiencies in inbound and outbound EDI exchange. The application is supplied by CMS as a government-furnished EDI service and provides an electronic mailbox system for providers to submit claims and receive outbound files and reports. The Common Electronic Data Interchange contractor operates the CEDI system, maintains the application, provides free/low cost billing software, conducts transaction testing, makes submitter profile changes, and provides customer support.

Submitters (suppliers, clearing houses, billing services, etc.) send all electronic claims and claim status requests to the CEDI. The system will perform front end edits and translate claims and claims status requests to a flat file format and assign a claim control number (CCN). The CEDI will send a receipt acknowledgement report directly to the submitter. Claims that contain critical errors will be returned to submitters with an explanation as to why they cannot be processed. The claim files will then be forwarded to the DME MAC for claims adjudication and payment. After adjudication, electronic remittance advices, claims status responses, and Certificate of Medical Necessity (CMN) reject reports will be sent to the CEDI and then forwarded to the submitter's electronic mailbox. The incoming DME MAC must negotiate a Joint Operating Agreement (JOA) with the CEDI contractor. Also see **Chapter 6.8.3**.

3.15 HIGLAS

HIGLAS is a comprehensive, unified general ledger accounting system that allows CMS to improve accountability for Medicare payments to providers and beneficiaries. It provides four financial functions: accounts receivable, accounts payable, general ledger, and cash management. HIGLAS is a CMS-furnished application and is accessed by using a standard Web browser over the internet. MAC personnel are also able to access certain HIGLAS online functions to support their normal job functions. In addition, HIGLAS is also used for CMS administrative accounting. CMS HIGLAS staff and the HIGLAS contractor will participate in the MAC transition. They will attend workgroup and general status meetings and will coordinate cutover date(s) with the incoming MAC.

As of the date of this handbook, the DME MACs are the only Medicare Administrative Contractors that are not using HIGLAS. In future transitions, if the outgoing DME MAC is not currently using HIGLAS, there will be no conversion to HIGLAS during the transition; the incoming DME MAC will convert the DME workload to HIGLAS after the transition has been completed. If the incoming DME MAC is also a Part A/Part B MAC (and using HIGLAS), it will need to use a financial system capable of interfacing with the DME claims processing system and meeting CMS financial reporting

requirements. If such is the case, the incoming DME MAC will need to operate two financial systems (i.e., its A/B MAC HIGLAS system and a non-HIGLAS financial system for the DME workload that it will obtain from the outgoing DME MAC). The MAC's dual financial system operation would continue until the conversion of the incoming DME MAC's financial system to HIGLAS.

3.16 Shared System Maintainers

CMS contracts with three shared system maintainers (SSMs) to maintain Medicare claims processing software and to develop software that MACs need to implement changes and program modifications. These changes are necessitated by new legislation; new or revised coverage and regulatory policy decisions; fraud control and prevention; cost containment initiatives; updates; and system enhancements.

The Fiscal Intermediary Shared System (FISS) is the claims processing system used by Part A/Part B MACs for claims from institutional providers. These claims are reimbursed under both the Medicare Part A and Part B trust funds. The Multi-Carrier System (MCS) is the claims processing system is used by Part A/Part B MACs to process claims from physicians, practitioners, and other non-institutional claims, with the exception of Durable Medical Equipment, prosthetics, orthotics, and supplies (DMEPOS). DME MACs utilize the ViPS Medicare System (VMS) to process DMEPOS claims.

During a transition, maintainers will provide system support to the incoming and outgoing MACs. Activities may include analysis, coding, documentation, and testing support of any system modifications. The shared system maintainers will also participate in implementation workgroups and cutover simulations.

3.17 Common Working File

Part A/Part B Medicare Administrative Contractors process claims through the Common Working File (CWF) system. The CWF system is the national repository of Medicare beneficiary entitlement, claims history, and information related to other insurance that a beneficiary may have that is primary or supplemental to Medicare. The three claims processing shared systems must interact with the CWF system on a daily basis to ensure that beneficiary claims are paid correctly in accordance with Medicare entitlement and benefit requirements.

During a transition, the CWF maintainer will provide any necessary system changes and will support testing of those changes. The CWF Host(s) will also be consulted about file naming and destination changes. The CWF maintainer and CWF Host will be invited to attend the Systems/IT workgroup meetings and will participate in cutover preparation meetings.

3.18 PECOS

Provider Enrollment Chain Ownership System (PECOS) changes are made by the PECOS maintainer. During a transition, PECOS moves provider records from the jurisdiction workload numbers of the outgoing MAC to new jurisdiction workload numbers established for the incoming MAC (see **Chapter 5.8**). It also makes changes to the administrative interface (AI) and provider interface (PI) to accommodate the workload number changes. The CMS PECOS lead interacts with the incoming MAC and the PECOS maintainer. He/she provides the IMAC with a PECOS user acceptance test and production work plan. This work plan details the activities, timing, and testing required for the PECOS changes. The lead maintains the PECOS work plan and schedules meetings with the IMAC to review the plan. The incoming MAC should ensure that the PECOS lead is invited to the provider enrollment workgroup, cutover workgroup, and project status meetings.

3.19 Banking Services

CMS contracts directly with two commercial banks to provide all of the banking services needed by Medicare claims processors. MACs are assigned by CMS to a specific bank. Service charges are paid directly to the bank by CMS. CMS, the bank, and the incoming MAC will negotiate and enter into a tripartite agreement that details the responsibilities of each party for the jurisdiction.

During the implementation, the incoming MAC must verify that the bank is prepared for sending and receiving files and that it has the appropriate account information, bank file formats, file locations and data set names. The IMAC must also have a thorough understanding of how the bank clears files will be processed.

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 MAC bank account;
- Process all checks/EFTs and provide all contractually required banking services;
- Submit monthly invoice to CMS and the MAC detailing all banking services provided and associated costs; and
- Conduct weekly/monthly reconciliation.

Medicare Administrative Contractor

- 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 verification;
- Resolve issues or questions with bank; and
- Pay bank for invoiced service charges.

Chapter 4: GETTING STARTED

4.1 Contract Award

The incoming MAC Contracting Officer will place a call to inform the successful offeror of its MAC contract award. The notification will begin the implementation phase of the successful offeror's workload transition. In the event the contract award is for the same jurisdiction that the successful offeror currently services, a contract transition will take place following the processes described in **Chapter 18, Contract Transition**.

After the successful offeror is informed of its contract award, CMS will notify the MAC that is currently servicing the jurisdiction. The notification will begin the closeout phase of the current MAC's contract. All unsuccessful offerors will then be notified.

In the event that an incumbent MAC is awarded a contract for a jurisdiction consolidation that includes the jurisdiction that it currently services, the MAC will conduct a contract transition for its current jurisdiction and workload transition implementation activities for the other jurisdiction.

4.2 Public Announcement

The incoming MAC may want to issue a press release and utilize broadcast and social media to announce the contract award and introducing itself to the jurisdiction's provider and beneficiary communities. The outgoing MAC may also wish to issue an announcement regarding the cessation of its Medicare claims processing operation and provide assurances that it will work closely with the incoming MAC during the transition. Any incoming or outgoing notice must stress that service to Medicare beneficiaries and providers will not be disrupted.

CMS will determine the internal and external timing of any award announcement that will be made by the incoming and outgoing MACs. If either the incoming and/or outgoing MAC is planning to release any public information regarding the contract award or transition, the timing must be approved and the announcement must be reviewed by the appropriate Contracting Officer (CO), Contracting Officer's Representative (COR), or Implementation Lead/Closeout Lead prior to its release. CMS may request that public announcements be withheld until the time period for filing a protest has past (see **Chapter 4.3** following). CMS may also issue its own public announcement regarding the MAC award.

4.3 Award Protest

It is possible that an unsuccessful offeror will file a protest of the MAC award. If this occurs, there are standard procedures that CMS will follow regarding the incoming MAC's implementation activities. Protests are usually filed with the Government Accountability Office (GAO), but they may also be filed in Federal court. If a stay of performance is issued by the GAO or the court, the Contracting Officer will issue a "stop-work" order to the incoming MAC. The IMAC will suspend performance of the contract until further notice.

If the protest is denied, the CO will lift the stop-work order and implementation activity may begin again. The date of contract was established when the incoming MAC and CMS signed the contract prior to the protest. Therefore, once the protest is denied the CO will establish an **effective date of contract**, which is usually the date that the CO lifts the stop-work order after notification of the GAO/court decision. The effective date of contract will be the date that will govern the periods of performance for IMAC.

4.4 Contact with the Outgoing MAC

After CMS has publicly announced the MAC contract award and the tentative implementation schedule, the incoming MAC should contact the outgoing MAC. The contact call will normally be made by upper management and will serve as an introduction to the new MAC. The incoming MAC's proposal will be discussed in general terms. A key topic may be the outgoing MAC's plans for its Medicare employees and any proposal for retention of Medicare staff by the incoming MAC. Other areas of discussion may include communications, commitment of the organizations, any schedule date changes that may have occurred after the RFP was issued, cutover dates, and any immediate problems or issues that need to be addressed prior to the kickoff meeting.

In the days immediately following the award announcement it may be difficult for the incoming MAC to have extensive contact with the outgoing MAC. The OMAC may still be trying to deal with the loss of its Medicare contract and may be assessing its options, addressing employee concerns, or preparing to protest the award. It is also possible that the outgoing MAC will continue claims processing under another Medicare contract and may be competing against the incoming MAC for future jurisdictions. These scenarios may result in little information initially being provided to the incoming MAC. The incoming MAC must take this into account when initiating contact and be cognizant of the outgoing MAC's situation when communicating and/or requesting information. If the OMAC has already indicated that it is ending its participation in the Medicare program, general communication should not be an issue.

4.5 Outgoing MAC Employees

After the outgoing MAC is aware of the general provisions of the incoming MAC's proposal, it should schedule a meeting with all of its affected Medicare employees. The purpose of this meeting is to provide information about the transition and to inform

employees about the status of their jobs. Employees should be made aware of positions that may be offered in other Medicare or non-Medicare areas of the outgoing MAC's organization. Should jobs not be available in other areas, information on severance pay, possible retention bonuses, outplacement services, and other corporate benefits should be provided.

If the incoming MAC has proposed to hire some or all of the outgoing MAC's staff, employees should be provided with as much information as is known about the incoming MAC's intentions. The IMAC will discuss it proposed plan with the OMAC and determine the availability of those employees. Plans should be coordinated with the outgoing MAC to notify the employees affected and a face-to-face meeting should be scheduled as soon as possible. If the IMAC will be hiring a significant number of the outgoing MAC's staff, a human resources representative may be able to meet on-site with OMAC employees to address employee concerns and provide detailed information about positions available and benefits comparison.

Commitment of the outgoing MAC's employees is critical to the success of any transition. Knowledge that jobs will be retained will greatly facilitate the transition process and alleviate fears regarding employees' futures.

4.6 Transition Project Teams

The incoming and outgoing MACs will establish project management teams for their respective implementation and closeout activities. Information regarding the organization and composition of each team will be provided to transition participants at the jurisdiction kickoff (**Chapter 4.7** following).

Both project management teams shall work directly with each other and cooperate fully for the orderly transfer of all Medicare functions.

4.6.1 Incoming MAC Implementation Project Team

The incoming MAC's implementation team will be composed of an Implementation Project Manager and staff who are responsible for the major implementation tasks described in the IMAC's proposal and incorporated into the Jurisdiction Implementation Project Plan (JIPP). 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 implementation members (project manager, business analysts, potential workgroup leaders, and subject matter experts) should be held to plan and prepare for the upcoming transition and to handle administrative details. Based upon the length of time or technical/policy changes that have occurred since the incoming 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. The project team should begin to baseline the Jurisdiction Implementation

Project Plan (**Chapter 5.2.1**). Tools to assist the team in managing the project should be identified and discussed. Internal procedures for meetings and communications should be agreed upon.

It is also **strongly suggested** that team members review **Exhibit 14, Workload Transitions Lessons Learned** in its entirety and incorporate applicable lessons learned into its implementation project plans and activities.

4.6.2 Outgoing MAC Closeout Project Team

The outgoing MAC shall form a project team that will be responsible for closeout activities. The team's purpose is twofold: 1) to work directly with the incoming MAC to accomplish the orderly transfer of Medicare data, records, and functions to that MAC; and 2) to take the necessary steps to close out the outgoing MAC's Medicare contract. The team should be comprised of a Closeout Project Manager and experienced personnel representing the various functional areas of the outgoing MAC's Medicare operation. Closeout team staff will be assigned to participate in the transition workgroups that will be formed (**Section 4.8**).

Once assignments have been made, an internal meeting with all team members should be held in order to plan and prepare for the closeout and upcoming kickoff meetings. An organization chart and contact list should be developed and initial discussions should take place regarding the development of the MAC's Closeout Project Plan (**Chapter 12.3**). Administrative details and procedures for meetings and communications should also be finalized.

It is also **strongly suggested** that team members review applicable portions of **Exhibit 14, Workload Transitions Lessons Learned** and incorporate lessons learned into its Closeout Project Plan and closeout activities.

4.7 Jurisdiction Kickoff

The jurisdiction kickoff will bring together all parties involved in the transition to review the project and to understand the roles and responsibilities of each.

4.7.1 Preparations

The jurisdiction kickoff is normally composed of 3-5 separate meetings that may be conducted over a several day period. The jurisdiction kickoff is intended for all parties involved in the transition, but not all parties will attend every meeting. There will be a minimum of three meetings held at kickoff: the **incoming MAC pre-meeting**, the **outgoing MAC pre-meeting**, and the general **jurisdiction kickoff meeting**. The kickoff may also include a **segment kickoff meeting** if the implementation will involve a jurisdiction consolidation (**Chapter 4.7.6**). In addition, the incoming MAC **post-award orientation conference** that is conducted by the IMAC 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. Most kickoffs in the Baltimore area have been held at hotels in the BWI airport vicinity for convenience and ease of access. The IMAC 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, CMS would be responsible for making facility and teleconferencing arrangements. Meeting minutes and an attendance sheet/contact list shall be prepared by the incoming MAC and sent to all those in attendance.

The CMS Implementation Lead will provide the incoming MAC with a contact list with contact information (e.g., name, phone number, email address, area of responsibility) for: 1) the CMS individuals that will be responsible for the oversight of the transition; 2) the various system and business functions within CMS, and 3) the CMS functional contractors that will be involved in the project. The IMAC will use this information as the basis for contacting potential attendees to the kickoff meeting. After additional contacts are developed as the result of the kickoff meeting and as activities get underway, the list will serve as the transition contact/distribution list that the IMAC will maintain during the project.

Normally, each of the meetings held during the jurisdiction kickoff can be completed in a half day (3-4 hours of concentrated meeting time). The exception would be the post-award orientation conference, which 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 IMAC should have a meeting room with tables that will accommodate the general jurisdiction meeting. There should also be several smaller rooms for the pre-meetings and any conferences or workgroup breakout sessions. The telephone conference line for calling in should allow for an unlimited or high number of participants. The CMS Implementation Lead will work with the incoming MAC to prepare for the kickoff activities.

The start time of the jurisdiction kickoff can vary depending on a number of factors. Some MACs have started the kickoff in the afternoon with the pre-meetings and then continue the next morning with the general jurisdiction kickoff meeting. Others have started in the morning with pre-meetings and conducted the general jurisdiction kickoff meeting in the afternoon. The incoming MAC must consult with the outgoing MAC and certain functional contractors when establishing dates and times for kickoff meetings so that the proper management and operational people are available.

4.7.2 Incoming MAC Pre-Meeting

The incoming MAC pre-meeting is held by CMS prior to the general kickoff meeting and deals with information that pertains exclusively or primarily to the incoming MAC. It is

conducted by the Implementation Lead or Contracting Officer's Representative. The incoming MAC Contracting Officer may also attend, especially if the meeting will include the post-award orientation conference (**Chapter 4.7.5**). The pre-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.

If the implementation involves a jurisdiction consolidation (e.g., Jurisdictions 5 and 6 combined to form Jurisdiction G) and the incoming MAC is an incumbent for one of the jurisdictions being combined, the pre-meeting will also discuss the contract transition activities that will need to be performed as part of the overall consolidation. See **Chapter 18, Contract Transition**.

Topics for discussion will include:

- Introduction of the CMS implementation team and contract administration structure;
- CMS project monitoring: reporting requirements, meetings, and contract deliverables;
- CMS's *Medicare Administrative Contractor Workload Transition Handbook*;
- Review of implementation schedules/cutover dates and the Jurisdiction Implementation Project Plan (JIPP);
- Agreement on the key assumptions made in the incoming MAC's proposal;
- Workgroup discussions: number of workgroups, meeting times, toll-free numbers;
- Deliverables list for the outgoing MAC;
- New jurisdiction workload identification numbers (including the number of workloads in each CICS region to be identified and confirmed with CWF);
- Initial operational assessment/due diligence and on-site visits;
- Lessons learned from previous MAC implementations;
- Discussion of the incoming MAC's agenda and presentation for the jurisdiction kickoff meeting; and
- Areas of immediate focus such as communications/provider relations, file transfer and storage, Change Requests since proposal submission, and SOW changes.

The incoming MAC will have submitted its proposal using the implementation schedule provided in the Request for Proposal (RFP). It is more than likely that the IMAC will need to revise its Jurisdiction Implementation Project Plan (JIPP) based on changes to the schedule or cutover dates, or other considerations such as changes to the statement of work after the contract award. CMS will negotiate with the IMAC to reach agreement on a revised schedule and any additional costs associated with the changes. The contract will be modified accordingly.

4.7.3 Outgoing MAC Pre-Meeting

This meeting is conducted by CMS with the outgoing MAC and is normally held prior to the general jurisdiction kickoff meeting. Since the outgoing MAC will be present to

attend the jurisdiction kickoff meeting, the pre-meeting provides an opportunity for CMS to discuss topics of importance related to a MAC leaving the Medicare program or losing a portion of its overall Medicare workload. The pre-meeting provides a forum for OMAC issues that would not be relevant to discussions in the general kickoff meeting.

The outgoing MAC pre-meeting may be scheduled before or after the incoming MAC pre-meeting, but generally both meetings are held concurrently. The meeting will be conducted by the outgoing MAC Contracting Officer and attended by the outgoing MAC Contracting Officer's Representative and Closeout Lead. If needed, some functional contractors and other CMS transition staff may also be present.

Topics may include:

- The anticipated transition schedule, possible modifications, the cutover date, and any corresponding contractual issues;
- Development of a Closeout Project Plan (CPP);
- CMS project reporting and meeting requirements, including baseline workload;
- CMS's *Medicare Administrative Contractor Workload Transition Handbook*;
- Possible employment of outgoing MAC staff by incoming MAC;
- Workload maintenance/reduction plans;
- Deliverables list from incoming MAC;
- Incoming MAC's initial operational assessment/due diligence and on-site visits;
- Workgroup discussions: number/composition of workgroups and meeting schedule;
- Accounts receivable review;
- Closeout costs;
- Operational/staffing issues
- Disposition of assets;
- File storage and transfer procedures;
- Performance of contractual obligations; e.g., completion of audits;
- Lessons learned from previous MAC transitions
- Post-cutover financial and workload reporting; and
- Areas of immediate focus: communications/provider relations, operational continuity, baseline workload, asset inventory, file transfer, cutover, etc.

4.7.4 Jurisdiction Kickoff Meeting

While other kickoff meetings will have limited audiences, the jurisdiction kickoff meeting is intended for all parties involved in the MAC transition. This meeting is sometimes referred to as the general kickoff meeting.

4.7.4.1 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 transition, examine the schedule, review roles and responsibilities, and address any concerns that participants may have. The meeting will help ensure that all participants agree on the tasks involved, project assumptions, and schedule. Any emerging issues and/or changes that have occurred since contract award will be discussed, as will lessons learned from recent workload transitions.

4.7.4.2 Participants

All parties directly involved in the jurisdiction transition should be invited to attend. This includes CMS (those directly involved and any applicable staff from impacted Regional Offices); the appropriate incoming and outgoing MAC personnel (project managers, workgroup leads and functional/technical staff); applicable VDCs and MAC data center(s); front end contractors; CWF; shared system maintainers (FISS, MCS, VMS); Zone Program Integrity Contractor/Program Safeguard Contractor (ZPIC/PSC); Qualified Independent Contractor (QIC); Beneficiary Call Center (BCC); Benefits Coordination and Recovery Center (BCRC), Recovery Auditor (RA), etc. For DME MAC transitions, the Common Electronic Data Interchange contractor (CEDI), National Supplier Clearinghouse (NSC), and Pricing and Data Analysis Contractor (PDAC) would also be extended an invitation. Attendance may be in person or via teleconference.

CMS will work with the incoming MAC to develop the list of individuals/organizations that should be invited to the meeting (**Chapter 4.7.1**). Attendance may be in person or via teleconference. Not all staff that will be involved in the jurisdiction transition will necessarily attend the kickoff meeting in person. Toll-free teleconference lines shall be available for individuals or organizations that cannot attend in person.

4.7.4.3 Topics of Discussion`

The jurisdiction kickoff meeting will give a high level overview of the transition project. The incoming MAC will be requested to make a corporate introduction and describe its Medicare organization and operation. The IMAC should also discuss its implementation team/organization, its implementation approach, and provide an overview of its Jurisdiction Implementation Project Plan (**Chapter 5.2.1**). Much of the information presented will normally be drawn from the IMAC's proposal or any oral presentations supporting the proposal. The outgoing MAC will be asked to make a presentation regarding its organization, project team, and Closeout Project Plan (**Chapter 12.3**). It will also discuss any pilot projects and unique working relationships or workloads. The incoming and outgoing MACs must coordinate their schedules and project plans to ensure that all transition tasks are covered, responsibility is acknowledged, and that there are no date or task schedule conflicts.

CMS will make a presentation covering its transition team organization, roles and responsibilities, project expectations, and meeting/reporting requirements. The IMAC should also determine if the HIGLAS representative will be discussing its role in the transition or submitting any slides for the presentation. Other stakeholders in the project

such as the VDC should be contacted to see if they may want to provide an overview of their activities and interactions with the incoming and outgoing MACs.

The incoming MAC's due diligence review will be discussed, as will the deliverables that are being requested from the outgoing MAC. Proprietary issues regarding requested information and the IMAC's interaction with the outgoing MAC will be covered, as will the coordination of provider/beneficiary communication activities. The IMAC may have developed a preliminary deliverables list that will be distributed and discussed at the meeting. The deliverables list shall be the formal record of the information and documents that the incoming MAC is requesting from the outgoing MAC and other parties involved in the transition in order to facilitate the transfer of the Medicare workload (**Chapters 5.10** and **12.12)**.

Transition workgroups will be a key topic of discussion at the meeting (**Chapter 4.8** following). The incoming MAC must work with the outgoing MAC and other attendees to establish transition workgroups and agree on their basic responsibilities. These workgroups and their functions should be in place for the entire transition. The outgoing MAC will have to structure its closeout activities utilizing the workgroups. Therefore, it is critical that agreement be reached with the OMAC as to what workgroups will be established and the major responsibilities of each. The IMAC will request a workgroup contact list (name, telephone number, e-mail address, office location, etc.) from the outgoing MAC and any other organization that will have membership in a transition workgroup so that it may finalize a transition contact/distribution list (**Chapter 4.7.1**).

4.7.4.4 Workgroup Breakout Sessions

Following the presentations, there will normally be breakout sessions for some of the workgroups that have been established. 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 sessions 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 Jurisdiction Implementation Project Plan (JIPP), 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 workgroup should try to reach agreement on administrative details such as each organization's designated points of contact and meeting dates and times.

4.7.4.5 Subsequent Actions

After all of the meetings occurring at kickoff have been completed, the incoming and outgoing MACs and other participants will need to respond to any questions, action items, etc. that were not resolved at the kickoff. The MACs should review the project schedule and their various transition plans (JIPP, CPP, risk management, etc.) to make any necessary revisions based on the discussions that took place during the meetings.

Any deliverable, issues log, or action item that is developed or added to an existing document as a result of the kickoff meetings should be distributed to attendees as soon as possible. Meeting minutes and an attendance/contact/distribution list shall be prepared by the incoming MAC and sent to all those in attendance.

4.7.5 Post-Award Orientation Conference

A post-award orientation conference between the incoming MAC and the incoming Contracting Officer is normally held 10-15 days after notification of contract award or the effective date of contract. The incoming 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 so, the conference would normally be a part of the incoming MAC kickoff pre-meeting (**Chapter 4.7.2**), but it 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 incoming CO must ensure that the IMAC 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 and the processing of change orders/contract modifications may also be discussed.

4.7.6 Segment Kickoff

When a jurisdiction consolidation occurs (e.g., Jurisdictions 5 and 6 combined to form Jurisdiction G), each of the two MAC claims processing workloads to be consolidated will be identified as a "segment". There will need to be two segment kickoff meetings, one for each of the outgoing MACs. The first segment kickoff meeting of a consolidation will usually be held as part of the overall jurisdiction kickoff. Normally, a jurisdiction consolidation is the only time that segments will be utilized from a project management or reporting standpoint.

Note: If there is a jurisdiction consolidation and the incoming MAC is the incumbent for one of the jurisdictions to be consolidated, the contract transition activities to be performed by the incumbent MAC for its jurisdiction as part of the consolidation will usually be considered as a "segment". The IMAC's Jurisdiction Implementation Project Plan (JIPP) and Segment Implementation Project Plans (SIPP) will be structured accordingly. See **Chapter 18, Contract Transition** for additional information.

The segment kickoff meeting represents the formal start of the process of moving Medicare data, records, and operations from one of the two outgoing MACs to the incoming MAC. The segment kickoff meeting will be similar to the jurisdiction kickoff meeting in concept, but will be focused on the detailed technical and functional activities required for each of the MAC jurisdiction segments that will be consolidated into the new alpha-designated jurisdiction. The kickoff activities and tasks described in **Chapter 4.7.1** through **Chapter 4.7.5** above should be followed and tailored for each outgoing MAC

and its jurisdiction. It should be noted that if the IMAC will need to support segment cutovers with overlapping activities, it must ensure that there are adequate resources to support those activities. If this may be an issue, the incoming MAC should discuss its concerns with CMS prior to finalizing the cutover dates.

The first segment kickoff meeting of a consolidation will normally be held as part of the jurisdiction kickoff, but there may be circumstances that dictate that the meeting be held at a later time. The subsequent segment kickoff meeting should take place within 10-15 days of the scheduled start date of the second segment implementation. The CMS transition team should meet with the IMAC prior to the meeting to discuss the agenda, materials to be handed out, and presentations that will be made. Any segment kickoff meeting that is not held as part of the jurisdiction kickoff will normally be conducted via teleconference.

The incoming MAC will be responsible for setting up the kickoff meeting for each of the two segment implementations. It will be responsible for 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.

4.8 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.

4.8.1 General

Transition workgroups are established to facilitate the process of transferring the outgoing MAC's Medicare workload to the incoming MAC. The scope of a particular workgroup may vary from one workload transition to another for a variety of reasons, including the IMAC's business structure, the jurisdiction project plan/approach, and outgoing MAC considerations. However, there must be agreement between the incoming and outgoing MACs as to what workgroups will be established and what their specific responsibilities will be. Workgroups are generally established for infrastructure activities (facilities, hardware, human resources, telecommunications, etc.), functional program areas (audit and reimbursement, medical review, provider enrollment, etc.), and overall project administration tasks (project management, financial, etc.).

4.8.2 Participants

Experienced staff from the incoming and outgoing MACs, functional contractors, and other involved organizations will be assigned to the various workgroups. Participants may vary within the workgroups based on Part A/Part B subject matter expertise and resource availability of the incoming and outgoing MACs. Of course, members will only be assigned if the organization has some involvement with a particular workgroup's function. CMS will normally be represented on every workgroup. The MACs should try to keep the same workgroup members for the duration of the implementation, especially

the workgroup heads. Membership of the workgroups should be finalized within a week after the kickoff meeting.

The incoming 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 IMAC's project plan 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 outgoing MAC representative on a workgroup will be responsible for updating any tasks related to the workgroup that are listed in the outgoing MAC's Closeout Project Plan. He/she will also insure that requested information and deliverables are provided to the workgroup. The incoming and outgoing MACs are expected to ensure that the appropriate subject matter experts (SMEs) are in attendance during all workgroup calls and that they are prepared to respond to questions. There must be a continuity of information provided in the workgroup so that topics/issues are not continuously discussed or remain unresolved from week-to-week.

4.8.3 Scope

The scope or area of responsibility for the individual workgroups will vary depending on a number of factors such as the incoming MAC's organization or business structure, 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 MACs have found it advantageous to establish subgroups within a workgroup to focus on specific areas or issues. Other MACs have established separate Part A and Part B workgroups for functions such as claims, systems, cutover, financial, and enrollment. In addition, certain MACs have combined workgroups based on business considerations, convenience, or practicality.

When there is a jurisdiction consolidation (**Chapter 3.7.6**), some MACs may establish separate segment workgroups for a certain function (e.g., systems, medical review, financial, communications). In this situation, the overall IMAC workgroup head must coordinate the activities of the two segment workgroups to ensure consistency and schedule compliance.

Workgroups established in past transitions include:

- 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/Record Transfer
- Cutover

An established workgroup may not necessarily correspond directly to a major task in the incoming MAC's Jurisdiction 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 JIPP.

4.8.4 Functions

Each workgroup will identify the tasks and action items necessary to successfully transfer the Medicare data, files, and operations related to that specific workgroup. The group will be responsible for monitoring and updating the tasks listed in the JIPP and CPP that are applicable to their workgroup. Throughout the transition period the workgroup shall: 1) report its progress to the incoming 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 other workgroups or organizations. 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.

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 its tasks. The group will review transition materials (e.g., meeting documentation, the JIPP, the Closeout Project Plan, 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 IMAC's implementation project manager.

The workgroups and their functions should be in place at least until the cutover period begins. At that time, some MACs may consolidate any remaining activities or deliverables from the other workgroups into the cutover workgroup (**Chapter 15.2**), which will then coordinate cutover activities and address all remaining issues and tasks. Other MACs may continue certain workgroups so that work can be completed or pending issues resolved.

4.8.5 Administration

Workgroups should generally meet on a weekly basis, either in person or via teleconference. It will be the responsibility of the incoming 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 the 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 meeting identification numbers.

A workgroup agenda should be distributed a day before the workgroup meeting. The agenda can be in a fixed format that can also be used to expand as meeting minutes after the conclusion of the meeting. Minutes or notes should be distributed within two 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 incoming 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 can serve as a clearinghouse or forum for sharing information among the workgroups.

IMPLEMENTATION ACTIVITIES SPECIFIC TO THE INCOMING MEDICARE ADMINSTRATIVE CONTRACTOR

The following Chapters 5-11 contain specific implementation activities and requirements for the incoming Medicare Administrative Contractor:

CHAPTER 5 Incoming MAC: Implementation Project Management

CHAPTER 6 Incoming MAC: Obtaining Resources and Establishing Infrastructure

CHAPTER 7 Incoming MAC: Transfer of MAC Operations

CHAPTER 8 Incoming MAC: Communications

CHAPTER 9 Incoming MAC: Testing

CHAPTER 10 Incoming MAC: Financial Processes

CHAPTER 11 Incoming MAC: Implementation Meeting and Documentation Requirements

In a similar manner, Chapters 12-14 contain specific closeout information and activities for the outgoing Medicare Administrative Contractor.

Chapter 5: INCOMING MAC: IMPLEMENTATION PROJECT MANAGEMENT

This chapter will provide the incoming MAC with general information and guidance regarding the management of the activities associated with a workload implementation. It will provide the framework for completion of the activities detailed in succeeding chapters and help insure that the outgoing MAC's Medicare workload is successfully moved into the incoming MAC's operational environment.

5.1 Project Management Approach

The incoming MAC's project management approach for the implementation should be reflected in the Jurisdiction Implementation Project Plan (JIPP) and various other plans required for the project. While there are numerous approaches to project management, the workgroup concept as discussed in **Chapter 4.8** must be utilized. 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 IMAC may also wish to establish quality assurance (QA) support to internally monitor and review activities throughout the life of the implementation project. This support can help the IMAC project manager oversee the quality effort and ensure that tasks are complete and accomplished in accordance with project requirements.

5.2 Project Plans

An accurate and complete project plan is critical to the success of a transition. The incoming MAC will be responsible for developing and maintaining a Jurisdiction Implementation Project Plan and, if circumstances warrant, a Segment Implementation Plan. These documents are CMS contract deliverables.

5.2.1 Jurisdiction Implementation Project Plan

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 the Medicare workload to the incoming MAC. The JIPP will provide an overall administrative plan for the movement of data, files, and operations from the outgoing MAC and describe all major tasks and subtasks.

A draft JIPP will be developed using the information/dates provided in the Request for Proposals (RFP) and will be submitted as prescribed in the RFP or by CMS. However, information from the outgoing MAC and other transition participants will be 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 jurisdiction kickoff meetings (**Chapter 4.7**), the initial outgoing MAC operational assessment (**Chapter 7.2**), and ongoing workgroup meetings (**Chapter 4.8**) will enable the IMAC 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 IMAC 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. CMS approval is required for the baseline JIPP. CMS understands that the JIPP is a dynamic document that may change throughout the life of the project. It is imperative that changes to the plan are communicated promptly to CMS.

The incoming and outgoing MACs must coordinate their schedules and project plans to ensure that all transition tasks are covered, responsibility is acknowledged, and that there are no date or task schedule conflicts.

5.2.2 Implementation Project Plan Structure

A breakout of the major areas of activity that are usually found in a workload implementation are found in **Exhibit 2, Major Tasks and Activities Associated with a Workload Transition**. The list is general in nature and is not all-inclusive; tasks/activities will be added or deleted depending on the circumstances of the jurisdiction implementation. The Jurisdiction Implementation Project Plan should show a Work Breakdown Structure (WBS) to the level commensurate with the scope of the project and the amount of detail the incoming MAC (or CMS) finds necessary in order to properly track and cost the activity.

At a minimum, the JIPP and SIPP should contain the following information:

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

5.2.3 Segment Implementation Project Plan

Normally, the incoming MAC will develop a Segment Implementation Plan (SIPP) only when there is a jurisdiction consolidation (e.g., Jurisdictions 5 and 6 being combined into Jurisdiction G). Each of the two claims processing workloads to be consolidated will be identified as a "segment" from a project management standpoint. In this situation, the IMAC will develop two SIPPs—one for each MAC jurisdiction that is being consolidated into the new jurisdiction. While the JIPP will show the overall tasks necessary for the consolidation of the two MACs into one new jurisdiction, the SIPs will be an expanded and more detailed description of the implementation activities specific to each jurisdiction being consolidated. As separate documents, they will be used to monitor the segments' implementation activities, which will be on separate implementation schedules and cutovers.

It should be noted that if the incoming MAC is the incumbent MAC for one of the jurisdictions to be consolidated, the contract transition activities to be performed for that jurisdiction as part of the consolidation will normally be considered a "segment" and the Jurisdiction Implementation Project Plan (JIPP) and Segment Implementation Project Plan will be structured accordingly. See **Chapter 18, Contract Transition** for additional information.

The extent of a segment's individual tasks and the detail required for a segment implementation will be dependent upon a number of factors, including the MAC's project management approach, the availability of existing staff or facilities, and the extent of project integration. However, the SIPPs should provide a more detailed level of activity than is shown in the overall JIPP.

A draft SIPP will be submitted as prescribed in the RFP or by CMS. The completion of the incoming MAC's SIPPs will require a substantial amount of information from the outgoing MACs. However, much of this information will not be obtained until the start of the segment implementation. A baseline SIPP shall be submitted to CMS for review no later than **30 days** after each segment kickoff meeting. The SIPP will be refined as a result of the segment kickoff meeting and subsequent discussions with the outgoing MAC and other parties involved in the transition. As the SIPP is developed and maintained, the IMAC must update the appropriate sections of the JIPP to incorporate any changes in tasks and/or dates. The incoming MAC must also ensure that the SIPP is coordinated with the outgoing MAC's closeout plan.

5.3 Interaction with the Outgoing MAC

Communication and cooperation with the outgoing MAC must be emphasized. It is an integral part of any transition. Without the outgoing MAC's cooperation and support the transition will be in jeopardy, regardless of how much time, effort and resources the incoming MAC commits to its implementation efforts.

It must be remembered that the transition will be very stressful for the outgoing MAC's organization and employees. The outgoing MAC may have unsuccessfully competed for its jurisdiction and will be ending its Medicare operation not by choice. The OMAC may have no other Medicare claims processing contracts and will be exiting the Medicare program altogether. It may be planning on competing on future Medicare contracts and could view the incoming MAC as a competitor. It is also likely that staff will be losing their jobs. Many factors can come into play in the relationship between the incoming and outgoing MACs. The IMAC must recognize those factors in its approach to managing the implementation.

5.4 Coordination of Meetings and Reports

An important start-up activity for the incoming MAC is the coordination of all of the workgroup and other meetings that are required during the transition. The IMAC must develop a comprehensive workgroup meeting schedule that is acceptable to the project's major participants. It will need to solicit input from CMS and the other key stakeholders regarding meeting days and time availability. The receipt dates for reports required by CMS will also need to be taken into consideration. The workgroup schedule should not be finalized until it is found acceptable by the key stakeholders.

The workgroup schedule should provide a listing of all the workgroups that have been established, the workgroup leads, participants, meeting days and times (normally scheduled for one hour), and the call-in numbers with corresponding meeting identification numbers. Many MACs will try to schedule workgroup meetings for four days of the week, with a day (usually a Friday) open for other internal transition meetings and activities.

5.5 Nomenclature

The incoming and outgoing MACs should discuss the terminology and nomenclature used in the outgoing MAC'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.

5.6 On-Site Presence

The on-site presence of the incoming MAC at the outgoing MAC's operational site(s) is strongly recommended, especially during the IMAC's assessment/due diligence activities (**Chapter 7.2**). Any request for on-site presence will need to be discussed with the OMAC to determine if it is desirable or feasible. The incoming MAC will need to determine how much of an on-site presence it believes is warranted and the timing of such presence. Generally, there will be less resistance to the IMAC's on-site presence if there will be some type of working relationship with the outgoing MAC (e.g., subcontractor) or if the OMAC is leaving the Medicare program.

The incoming MAC must understand that it is possible that the outgoing MAC 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 MAC and is not controlled by CMS.

5.7 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 smooth and successful transition. It is critical that the incoming MAC work closely with its partners and communicate at all levels. For its part, the IMAC should ensure that there is a free flow of information among all parties. The meeting and reporting requirements detailed in **Chapter 11, Incoming MAC: Meeting and Documentation Requirements** 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., CMS, incoming and outgoing MACs, VDC, shared system maintainers, HIGLAS) to keep the lines of communication open, discuss overall progress, and ease the resolution of any issues or conflicts.

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

5.8 Workload Identification Numbers

CMS will assign the incoming MAC specific workload identification numbers that will be used for reporting and data exchange information. These numbers are known as "**workload numbers**" and may also be referred to as "**contractor numbers**". For Part A/Part B MACs, each state (or portion of a state in some cases) within the jurisdiction will have an individual workload number and business segment identifier (BSI) that will allow Part A and Part B workload to be reported separately by state.

The process for implementing the new numbers should begin at contract award. The numbers will be formally distributed to all parties by the CMS Medicare Contractor Management Group (MCMG) through the CMS change management process. The Change Request (CR) will require system changes by numerous CMS stakeholders. The IMAC will need to monitor the CR activity, since a delay in the process will increase the risk that some of the peripheral systems may not take appropriate action timely.

If the incoming MAC is the incumbent MAC for the newly-awarded jurisdiction, the workload numbers will not change. In this situation, the IMAC will follow the contract transition procedures found in **Chapter 18, Contract Transition**. If the incoming MAC is the incumbent MAC for a portion of its newly-awarded MAC jurisdiction (i.e., it is the current MAC for one of the jurisdictions involved in a jurisdiction consolidation), only the workload numbers of those states for which the IMAC is not the incumbent will be changed.

5.9 Access to Outgoing MAC Information

The incoming MAC must ensure that any request to the outgoing MAC for information and/or documents is proper and necessary for the conduct of the implementation. Given all of the activity that will be required for contract closeout, the OMAC 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 MAC will provide is dependent upon a number of factors. If the OMAC 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 outgoing MAC 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 OMAC submitted an unsuccessful proposal for the jurisdiction and/or will be submitting proposals for future MAC jurisdictions, it may choose not release any information that it considers proprietary or confidential. Also, the outgoing MAC may not be willing to release information if it is contemplating legal action against CMS regarding the award of the MAC contract.

Exhibit 3, **Requested Information/Documentation from the Outgoing MAC,** provides a list of the information and documents that incoming MACs will typically request from outgoing MACs. The exhibit shows information/documentation that is considered non-proprietary and should be released to the IMAC if requested. It also shows documents that may contain proprietary or business information. Generally, CMS will not require the outgoing MAC to release those documents, but under certain circumstances, it may require that a properly redacted version be released. It is also important to note that while an outgoing MAC may consider its internal processing instructions to be proprietary, the OMAC must provide the incoming MAC with the rationale and background data supporting the edits/audits.

CMS strongly encourages the outgoing MAC to share as much information as possible with the incoming MAC and to work together collaboratively. If the incoming MAC believes that the outgoing MAC is withholding non-proprietary information that is necessary for the successful completion of the implementation, or if it is not cooperating with the IMAC's operational assessment/due diligence, it should contact the CMS Implementation Lead or incoming MAC Contracting Officer's Representative.

5.10 Deliverables

It should be noted that during an implementation, the incoming MAC may use the term "**deliverable**" in two different manners:

1. The term may refer to a **document or information** that is being requested from the outgoing MAC or other party involved in the transition as a result of the incoming MAC's operational assessment/due diligence or workgroup activities. The request is recorded on a deliverables list maintained by the IMAC.

2. The term is also used to mean a "**contract deliverable**". A contract deliverable is any information, data, report, document, item, service, etc. that the MAC is contractually required to provide to CMS. Contract deliverables are usually 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, communication plan, test plan, and risk management plan as a contract deliverable.

5.10.1 Deliverables List

At the jurisdiction kickoff, the incoming MAC should be prepared to provide the outgoing MAC with an initial list of information that it believes is necessary for its implementation. This list is known as the "deliverables list" and will be the formal record of information and documents that the IMAC is requesting from the outgoing MAC and other parties involved in the transition. At a 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. There should also be information on the naming convention for deliverable submissions along with the documented process for requesting and submitting deliverables. This will help ensure that the outgoing MAC can begin work immediately following the kickoff meeting. During the transition, the IMAC will continue to refine and add to the deliverables list based on its due diligence/operational assessment and workgroup activities.

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 incoming MAC must consider the effort that the outgoing MAC will need to expend in order to produce the information or respond to its request. Outgoing MAC staff may not be available to gather information and the process may take longer than anticipated. The incoming 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 IMAC must also be able to provide rational for the items should there be an issue with the request.

The Implementation Lead will work with the incoming and outgoing MACs to ensure that: 1) both parties understand exactly what is being requested; 2) the information is applicable to the purpose of the request; 3) the outgoing MAC has the resources available to fulfill the request; and 4) the timeframe for delivery is agreeable to both. If the outgoing MAC has concerns or is unwilling to comply with the IMAC's deliverable request, the Closeout and Implementation Leads will work with both parties to determine if the request is absolutely necessary for the IMAC's implementation effort, or if there

are alternative ways of obtaining the information without compromising the OMAC's internal operations or processes. If there is no resolution, the issue will be discussed with the outgoing MAC Contracting Officer, who will then determine whether or not to direct the outgoing MAC to release the information. See **Exhibit 3, Requested Information/Documentation from the Outgoing MAC**, for a sample of the types of information and documents that may be requested from an outgoing MAC.

Usually, the IMAC will consolidate the individual workgroup deliverables lists into a jurisdiction master list. The master list will then serve as a complete record of what has been requested and the Implementation Project Manager will be able to track the requests to receipt. There should be a dedicated resource assigned to maintain and distribute the list at agreed upon intervals. The list should be separable based on the workgroups but there should only be one version of the list in circulation at any given time. The deliverables list should be updated on a weekly basis and a copy provided to CMS.

5.10.2 Contract Deliverables

The incoming MAC must provide all contract deliverables as described in the MAC statement of work, Section F, and/or Section J of the contract. Contract deliverables will be sent to the CO, COR and any other designee identified in the deliverable schedule. The IMAC will submit all contract deliverables via the CMS Analysis Reporting and Tracking (ART) system and will be able to upload its deliverables using the internet and ART password requirements. Due dates and submission dates will be automatically captured in the system. If the MAC is unable to send the deliverable electronically (e.g., protected health information (PHI) or personally identifiable information (PII) is contained in the document), it should be sent via a jurisdiction resource mailbox that will be set up by CMS. All deliverables must be received in CMS on or before the scheduled due date in order to be considered timely. The incoming MAC must verify its setup and access to the ART system as soon as possible since some deliverables may be due shortly after kickoff.

The contract deliverables that are implementation-related may vary from procurement to procurement depending on the MAC statement of work. However, the Jurisdiction Implementation Project Plan, communication plan, and risk management plan are usually designated as a contract deliverables. In addition to being submitted into the ART system, the IMAC Implementation Project Manager should also email a copy of these documents **directly** to the incoming COR and Implementation Lead. Any implementation-related plan, update, report, or information that is **not** specified as a contract deliverable should **not** be submitted into ART; it should be sent directly to the Implementation Lead. CMS has 30 days to review and approve a contract deliverable. Contractually, the MAC will consider a deliverable accepted unless the COR sends notification to the contrary within 30 days of receiving the deliverable.

5.11 Joint Operating Agreements

CMS maintains a number of functional contractors to administer aspects of the Medicare program. The incoming MAC is required to interface with CMS components and

functional contractors in order to perform its contractual obligations. During the implementation, the IMAC's level of interaction with these entities will vary depending on the extent of the interface. **Chapter 3, Interaction with other CMS Components and Functional Contractors** provides information on 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. In order to assist CMS in its administrative responsibilities, the incoming MAC must enter into Joint Operating Agreements (JOAs) with various functional contractors to formalize the activities that each will perform. 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 IMAC and the functional contractor. It also includes a disputes resolution section that spells out how any conflicts are to be resolved or arbitrated. The document 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 will need to execute a JOA with each of the following functional contractors:

- Virtual Data Center (VDC);
- Zone Program Integrity Contractor (ZPIC)/Program Safeguard Contractor (PSC);
- Beneficiary Contact Center (BCC);
- Qualified Independent Contractor (QIC);
- Administrative Qualified Independent Contractor (AdQIC);
- Quality Improvement Organization (QIO);
- Recovery Auditor (RA);
- Benefits Coordination and Recovery Center (BCRC) – coordination of benefits and MSP non-group health plan (NGHP) debt.
- Commercial Repayment Center (CRC) for MSP group health plan (GHP) debt.
- Appeals Support Contractor (ASC);
- DME - National Supplier Clearinghouse (NSC);
- DME - Pricing Data Analysis and Coding Contractor (PDAC); and
- DME - Common Electronic Data Interchange Contractor (CEDI)

The incoming MAC must begin work on the required JOAs as soon as possible after contract award. During the implementation, negotiations will take place between the MAC and each functional contractor regarding the terms and conditions of the required JOA. There must be a high level of participation between the parties, since the JOA impacts the working relationship of both organizations The outgoing MAC 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 MAC and its staff may be utilized in the new operation.

The incoming MAC should review the current JOA between the outgoing MAC and the functional contractor to give it a basis for discussions. The MAC should also consult with CMS early in the transition to ensure that they have a thorough understanding of CMS's expectations regarding any changes to the existing JOAs.

The minimum contents of each JOA are outlined in the MAC's statement of work, but normally each JOA will include the following topics:

- Confidentiality Requirements
- Definitions
- Workload
- Contract Roles and Responsibilities
- Dispute Resolution
- Connectivity
- Communication

After a final document has been negotiated, it should be reviewed by the Implementation Led or COR. The activities to be performed by the MAC as described in the JOA must be within the scope of the MAC's contract. JOAs may be a contract deliverable (**Chapter 5.10** above) and should be in place at cutover; however, the review process by the functional contractor's legal staff may prevent this from occurring. If an agreement has not been executed by cutover, both parties must be aware of the general aspects of the agreement and will be expected to perform the basic requirements of the agreement beginning at cutover.

It is possible that the Contracting Officer's Representative or Government Task Leader (GTL) for a functional contractor will have meetings with its contractor and the incoming MAC 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 incoming MAC's contract and implementation.

5.12 Memorandum of Understanding

There may be need for the incoming and outgoing MACs enter into a Memorandum of Understanding (MOU) that will cover specific post-cutover activity. Possible reasons for an MOU include: the need for agreement on a schedule for transferring electronic files; financial activities such as 1099 inquiries and updates; and check void/reissue procedures. The activities to be performed by the MACs as described in the MOU must be within the scope of their contracts. If either the SOW or costs are affected, a contract modification will need to be processed. CMS must review the final document after it has been negotiated.

It is possible that a MAC may have a need to access Medicare files and records after its period of performance has ended 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 MAC will negotiate a data sharing agreement with the incoming 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 will be executed. CMS must approve the MOU that is developed and must approve any request by the former MAC for access to Medicare files/records.

Chapter 6: INCOMING MAC: OBTAINING RESOURCES AND ESTABLISHING INFRASTRUCTURE

6.1 Personnel

The acquisition of resources will be dependent upon a number of factors including the proposed location(s), subcontracting/partnering arrangements, other contractual obligations, and the outgoing MAC's plan for its employees.

6.1.1 Recruitment of Outgoing MAC Staff

If the incoming MAC has an interest in hiring staff from the outgoing MAC, it should communicate that fact to the OMAC's management immediately after contract award. If the outgoing MAC is agreeable to the IMAC's employment proposal, it would be beneficial for the incoming 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 after the announcement of a replacement Medicare contractor and can affect efforts to retain personnel—the longer uncertainty exists, the more attractive alternate employment becomes.

The incoming and outgoing MACs must work to establish communication protocols for the employees that the IMAC is proposing to hire. Information should be obtained regarding when staff may be contacted, the process for obtaining approval and release of employee information, and how job postings can be made available to employees. The outgoing MAC will need to provide 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 a large number of staff will be hired, it may be helpful to have an IMAC human resources representative on-site to answer questions and provide detailed information on benefits and employment. Meetings should be scheduled with the OMAC's staff to discuss differences in benefits, provide information on what employees may expect when they are hired, and how the actual employment transfer will take place.

The outgoing MAC employees who will be hired should receive an offer of employment with a required acceptance/rejection date so that the IMAC will have an idea of the remaining positions that need to be filled. Recruitment plans can then be adjusted accordingly. The incoming and outgoing MACs should develop a compatible plan or calendar for when employees will actually begin work as an IMAC employee. The hiring plan must ensure that there is no degradation of service to OMAC operations.

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

6.1.2 General Recruitment

CMS may request information regarding the process for recruitment of potential employees, especially if a large number of staff is to be hired. CMS will review the incoming MAC's human resources approach, how potential employees will be found, methods of advertising and recruiting, schedule for placement, and contingencies if labor sources are inadequate.

6.1.3 Employment Report

During the implementation, an employment report will be submitted to CMS on a weekly/biweekly basis depending on direction from the Implementation Lead. CMS will use this report to compare it with the information in the IMAC's proposal in order to verify the acquisition and training of the proposed staff. The report should cover hiring activity broken out by operational location(s) and function area. It should show the total anticipated staff to be hired; the anticipated/actual dates of hire; the total staff that has been hired to date; and the number of employees that were hired for the reporting period. There should be a notation for employees that were hired from the outgoing MAC. The report may also provide any general information regarding hiring activities that took place as well as training. The IL may determine that the information can be included as part of the weekly Implementation Project Status Report (**Chapter 11.2.5**) instead of submitting a separate report.

6.1.4 Training

CMS may request the incoming MAC to provide detailed information on its training, especially if a large number of employees are to be hired and trained. The IMAC should have a comprehensive approach for providing facilities and resources for training new hires, as well as those hired from the outgoing MAC. 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 incoming MAC's training materials 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 incoming MAC's training materials and curriculum, observe classes, and review testing results. The IMAC must ensure that sufficient time is allotted in the schedule to adequately train all employees scheduled to be performing Medicare activities on the operational start date.

CMS may ask that detailed information on training that is underway or upcoming be included in the weekly/biweekly employment report (**Chapter 6.1.3** above). Information such as the type of training, functional area(s), start/stop dates, number of staff, and employee status (current employees/new hires/temporaries) would be included in the report.

6.2 Site Acquisition/Facilities Preparation

CMS will monitor the activities associated with obtaining and preparing a facility for the incoming MAC's operations. These activities include obtaining space, furnishing the operation, utilities, mail delivery, and support services such as security, maintenance, and food service. CMS will verify that operational facilities are established as proposed and may perform an on-site inspection to confirm completion.

The incoming MAC may be moving into a new facility (either buying/leasing an existing site), moving operations into an existing IMAC facility (which may require build-out or renovation), or moving into the outgoing MAC's facility (turnkey). If the incoming MAC proposed 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 IMAC is proposing to acquire the outgoing MAC's facility, it needs to be sure that there are no problems with the OMAC vacating or selling the property, or that the lease can be assumed. Existing service contracts (security, food services, phones, off-site keying, etc.) should also be reviewed to see if they can be assumed by the incoming MAC.

CMS should be consulted if there is any change in regard to the facilities approach or plans during the implementation. The incoming 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 review of the outgoing MAC's operation will provide information on storage arrangements so that the incoming MAC can determine whether to keep existing arrangements or move files to another location. All Medicare records and files (hardcopy and electronic) must be maintained in accordance with CMS manual instructions. Also see **Chapter 7.7**.

6.3 Hardware/Software

The incoming MAC must provide the hardware and utility software necessary to communicate and operate with CMS-provided software and the CMS-designated Virtual Data Center (VDC). The processes for obtaining and installing the IMAC's hardware and software at its operational site(s) will be documented in the JIPP. The 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 incoming MAC will normally require IT support for front end/back end or other data services that will not be provided by the VDC or shared system maintainer (i.e., non-base services). The IMAC must ensure that hardware and software requirements are defined and agreed to with any organization providing non-base services. The IMAC 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 more information is obtained about the outgoing MAC's operations from the operational assessment or workgroups.

The CMS non-base workgroup will work with the incoming MAC to review its IT operations, non-base software, and support services. This workgroup will analyze the IMAC's operating environment to determine which non-base software and jobs will be supported by the VDC, 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 VDC.

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 incoming MAC.

6.4 Asset Inventory

The outgoing MAC will normally discontinue the acquisition of assets during its closeout and will develop a final inventory of its Medicare assets. The inventory will contain a detailed list of all supplies, furniture, hardware, software, equipment, and other work-related items that were furnished or acquired under the terms of the MAC contract.

The outgoing MAC is responsible for the disposition of government-furnished property or property that was acquired using contract funds. The disposition of assets shall be under the direction of the outgoing MAC Contracting Officer and in accordance with the Federal Acquisition Regulation (FAR). Disposition of the outgoing MAC's Medicare assets may include sale, donation, transfer, or destruction.

CMS will provide the incoming MAC with the outgoing MAC's final inventory. The IMAC should analyze the inventory and may wish to negotiate with CMS for the possible acquisition of any assets. The request for the outgoing MAC's asset inventory should be entered on the Deliverables List with a mutually acceptable due date.

6.5 Telecommunications – Data

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

6.5.1 Background

CMSnet is the agency's private and secure wide area network (WAN) that supports the connectivity needs of the MAC's business operations. CMS, the VDCs, MACs, and other Medicare business partners are connected to CMSnet. CMS will supply the incoming MAC with two connections through CMSnet to the VDC, one for primary data connectivity and the other for backup data connectivity. The two data connections can be at the same IMAC location or at two different locations.

The incoming MAC shall only use CMSnet telecommunication services for:

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

All other connectivity required by the incoming MAC to fulfill its Medicare business requirements must be procured and maintained by the incoming MAC (e.g., field offices, administrative offices, telecommuter personnel stations, research centers, contact centers, etc.). The IMAC's external business partners are responsible for providing their own data connectivity to the MACs. In addition, the incoming MAC **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.

6.5.2 Requirements

The incoming MAC is only responsible for telecommunications to the CMSnet. The CMSnet-to-VDC interface is the responsibility of the VDC. CMS will provide the WAN connectivity through its CMSnet network service provider. The IMAC will be responsible for providing facilities (e.g., rack space, power, cooling, and security) for the WAN equipment. The incoming 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 IMAC must install all necessary telecommunication software and have the ability to transmit and receive data via standard telecommunication software protocols. The IMAC must also provide a gateway to its internal LANs that will interface with Multi-Protocol Label Switching (MPLS) telecommunications technology, unless otherwise determined by CMS.

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

6.5.3 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 incoming MAC shall request telecommunication services via email through its CMS Contracting Officer's Representative. The IMAC COR/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 incoming 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 IMAC will participate in regular teleconferences with CMS staff to ensure that all telecommunication needs are communicated timely and accurately to ensure prompt installation.

The incoming MAC must request telecommunication services a minimum of **90 calendar days** before the expected operational delivery date for those services. The IMAC 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 CMS network service provider must be granted access to equipment on the IMAC's premises for installation, troubleshooting, and maintenance activities.

6.5.4 Points of Emphasis

- The incoming MAC will need to document all network connectivity requirements and specifications before the **60 calendar day** timeframe begins;
- Prior to installation, the IMAC must have any facility leases signed and arrangements made for the IT service provider 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 IT service provider to install lines. IT service providers maintain their own schedules and may not be able to meet the incoming MAC's particular need for expedited installation and service; and
- The IMAC 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.

6.6 Telecommunications – Voice

Voice communications are the responsibility of the incoming MAC. CMS does not provide support for voice communications. The IMAC 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. CMS provides toll-free service for provider communications with the MAC. The IMAC should review the outgoing MAC'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 incoming MAC will be utilizing the outgoing MAC's facility, it must reach agreement on what telecommunications equipment the outgoing MAC is willing to transfer. ARU/IVR equipment must be assessed and the application software reviewed for required modifications. Also, internal voice mail and call accounting system requirements will 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 incoming MAC's relationship with Medicare providers.

In some instances, the incoming and outgoing MACs may reach an agreement for the incoming MAC to take ownership of the outgoing MAC's existing toll free lines post-cutover. However, if the IMAC does not take ownership of the lines, both MACs must work together to ensure that the Interactive Voice Response (IVR) and Customer Service Representative (CSR) phone lines are not disconnected at cutover. A post-cutover message should be put on the OMAC's line informing the caller of the new MAC's number. The message should remain in place for at least **30 days** following cutover.

The incoming MAC must be certain that the service provider is aware of its implementation schedule and that voice and data communication installations are coordinated. It should be noted that the lead time for telephone system installation can vary widely. Sufficient time must be allowed for system setup.

6.7 Data Center

The incoming MAC will utilize the services of CMS's Virtual Data Center (VDC). The VDC 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 a VDC point of contact for the incoming MAC during the implementation. It is also important that the incoming MAC is familiar with the provisions of the CMS/VDC contract and understands the roles and responsibilities of each organization. In addition, the IMAC will be required to enter into a Joint Operating Agreement (JOA) with the VDC to formalize the requirements of each organization. Also see **Chapter 3.2**.

Data center connectivity must be established between the incoming MAC's operational site(s), the VDC, and any IT facility supporting the MAC (e.g., front end/back end or

non-base applications/services). The IMAC is only responsible for telecommunications to the CMSnet. The CMSnet-to-VDC interface is the responsibility of the VDC.

The incoming MAC must assess and document data center access, security protocols, and processes for test and production regions, operator control files, problem reporting, and DDE access for providers. 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 IMAC must also verify that workload regions at the VDC are properly installed, populated, and tested. The incoming 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, and 1099 processing). IT risks should be monitored as part of the MAC's overall risk management plan and mitigation/contingency plans invoked if necessary.

6.8 Electronic Data Interchange (EDI)

The incoming MAC must establish and maintain effective Electronic Data Interchange (EDI) processes for all claims submitters and trading partners. The automated transfer of Medicare electronic media claims (EMC) and claims-related transactions must not be disrupted.

6.8.1 General

EDI technology facilitates the exchange of Medicare information by providing a standard communication mechanism. EDI is utilized by Medicare claims submitters (providers, physicians, suppliers, network service vendors, billing agencies, and clearinghouses) as well as other entities with which the MAC shares Medicare information (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 enter data directly into a computer that serves as a remote extension of the Virtual Data Center.

With limited exceptions, all initial claims for reimbursement under Medicare must be submitted electronically in the Health Insurance Portability and Accountability Act (HIPPA) standard format. The exceptions include hard copies, faxes, and optical character recognition (OCR) claims from certain providers. During a transition, the ability of providers to submit electronic claims via EDI and DDE without disruption is critical. If submitters cannot have their electronic 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 EDI issues. In addition, the incoming MAC may suffer adverse publicity and there may be complaints to CMS or other governmental entities.

6.8.2 EDI: Part A/Part B Medicare Administrative Contractor

This section provides EDI information and activities that pertain to Part A/Part B Medicare Administrative Contractors. The following **Chapter 6.8.3** covers EDI implementation activities for Durable Medical Equipment (DME) MACs.

6.8.2.1 General

Providers must have the ability to submit claims electronically without disruption. The incoming 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.

There must be sufficient time prior to cutover for VDC submitters to test and verify that they can accommodate the incoming MAC's front end requirements and bill successfully. This will reduce Return to Provider (RTP) claims and will help to determine what training and/or informational bulletins need to be furnished to providers. The IMAC must also coordinate EDI testing with its trading partners.

6.8.2.2 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. However, unless otherwise directed, current EDI submitters who have completed an EDI enrollment form with the outgoing MAC 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 incoming MAC will make basic EMC software available free of charge to any new provider who wishes to enroll.

6.8.2.3 Connectivity

The CMSnet may not be used to provide connectivity between providers/submitters and the MAC. Providers must use a network service vendor to establish the connection from the provider's computer to the incoming MAC's front end collection system. As part of its provider communication efforts, the IMAC 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. Providers are responsible for line costs for their use of EDI.

6.8.2.4 Front End System Translators

The EDI translator is part of the incoming 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 VDC 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.

6.8.2.5 EDI Assessment

As part of its review of the outgoing MAC's operations, the incoming 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. Electronic Remittance Notice (ERN) and Electronic Funds Transfer (EFT) information should also be obtained, as should EMC submission rates.

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

The incoming MAC needs to determine as soon as possible if the outgoing MAC's EMC submission comes into the corporate network or directly to the Medicare operation. If EMC comes into the corporate network, the IMAC 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 incoming MAC.

6.8.2.6 EDI Communication

It is required that the incoming MAC provide EDI information, assistance, testing, and training to providers/submitters throughout the implementation period. 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 IMAC's implementation bulletins, listservs, teleconferences, or meetings/workshops. The incoming MAC may also provide personal on-site assistance to large submitters, if necessary. It is imperative that EMC/EDI issues are not ignored or minimized by the incoming MAC or submitters. It is also important that the IMAC be sensitive to provider concerns regarding any change.

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

The incoming MAC must have sufficient staff available to support the EDI/EMC activity. IMACs 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.

6.8.2.7 Early Boarding

Incoming MACs 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 IMAC'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. Early boarders avoid the normal last minute rush at cutover, as well as any unnecessary delays in payments. **CMS strongly encourages the use of early boarding**.

During early boarding, submitters will submit claims to the incoming MAC's new EDI gateway, using their current outgoing MAC ID and submitter ID. The incoming MAC will forward submitters' claims to the outgoing MAC for processing. The outgoing MAC will return acknowledgment and error reports regarding the submission to the incoming MAC, who will then forward them to the submitters. The incoming MAC must discuss its plans for early boarding with the outgoing MAC 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.

If it is determined that early boarding cannot be accomplished due to a limited timeframe and the incoming MAC uses the existing EDI trading partner IDs, the incoming MAC should consider dual delivery of the 835 Electronic Remittance Advice (ERA) for a period of time prior to cutover (i.e., production ERAs would be delivered to the outgoing MAC and the incoming MAC). The incoming MAC would then build a history of ERA files. This would reduce the need for providers to maintain connectivity to both contractors post-cutover. This would also give the EDI trading partner the ability to test and identify changes to their remittance processes.

6.8.3 EDI: DME Medicare Administrative Contractor

The incoming DMS MAC must work closely with the Common Electronic Data Interchange (CEDI) system contractor to establish and maintain effective EDI processes for all DME claims submitters and trading partners.

6.8.3.1 Common Electronic Data Interchange Contractor

CMS will provide the Common Electronic Data Interchange (CEDI) system as a government-furnished EDI service for the incoming DME MAC. The CEDI system is a single, common front end application for DME processing that promotes standardization and allows greater efficiencies in inbound and outbound EDI exchange. It reduces submitter confusion as well as errors caused by a variety of front end platforms. The CEDI system will provide an electronic mailbox system for providers to submit claims and receive outbound files and reports. The CEDI contractor operates the CEDI system, maintains the application, provides free/low cost billing software, conducts transaction testing, makes submitter profile changes, and provides customer support.

Submitters transmit all electronic claims and claim status requests to the CEDI system. The system will perform front end edits and translate claims and claims status requests to a flat file format and assign a claim control number (CCN). A receipt acknowledgement report will be sent directly to the submitter. Claims that contain critical errors will be returned to submitters with an explanation as to why they cannot be processed. The claim files will then be forwarded to the DME MAC for claims adjudication and payment. After adjudication, Certificate of Medical Necessity (CMN) reject reports, electronic remittance advices, and claims status responses will be sent to the CEDI system, which will forward them to the submitter's electronic mailbox.

The CEDI system does not handle individual claims status inquiries (CSI) or electronic funds transfer (EFT). DME submitters must contact the appropriate DME MAC jurisdiction for CSI and EFT information.

6.8.3.2 EDI Assessment

As part of its review of the outgoing DME MAC's operations, the incoming DME MAC should obtain a complete listing of all vendors, suppliers, submitters, and trading partners who are currently submitting electronic transactions. The incoming MAC must determine if there are any outgoing MAC special claim edits that will need to be incorporated into the incoming MAC's claims processing environment.

6.8.3.3 Connectivity

The CMSnet **may not** be used to provide connectivity between suppliers/submitters and the CEDI system. Submitters are responsible for the communication line costs for their use of EDI.

The CEDI system supports several connection methods for providers submitting electronic transactions. The CEDI system contractor allows selected network service vendors to provide a continuous connection for submitters to the CEDI gateway. These network service providers are available to all DME MAC submitters. As part of its provider communication efforts, the incoming MAC should remind submitters that network service vendors are not affiliated with CMS or the DME MAC, nor is any vendor specifically endorsed by CMS or the MAC.

6.8.3.4 Help Desk/Customer Support

The CEDI system contractor provides technical support through a dedicated CEDI help desk. The help desk will work with providers, suppliers, clearinghouses, billing services, and vendors to test their products with the CEDI system, resolve issues, and answer questions about connectivity, receipt of files, and electronic formats.

Submitters must test connectivity with the CEDI system. Once submitters have successfully connected to CEDI, transmitted a file and received a front end report in return, they will be approved and permitted to move into production. Submitters that have successfully established connectivity with the CEDI system normally will not need to perform additional testing when an incoming DME MAC replaces an existing DME MAC**.**

The CEDI contractor is responsible for providing CEDI educational materials to the DME MAC's Provider Outreach and Education department. The help desk staff will provide insight into what training and/or the content of information bulletins that need to be furnished to submitters regarding CEDI issues and processes. 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.

6.8.3.5 EDI Enrollment

The CEDI system contractor is responsible for the initial enrollment of EDI submitters. It is also responsible for EDI forms that submitters complete for billing authorization, ordering software, changes/updates to vendors, and contact information. In addition, the CEDI system contractor is responsible for updating and changing submitter profiles. Arrangements for Medicare electronic transactions are specified in the CMS standard EDI Enrollment Form. When a submitter wishes to establish EDI capability with a DME MAC, it must complete the CMS standard EDI enrollment form and submit it to the CEDI before the DME MAC will accept production claims from that submitter. The CMS EDI Enrollment Form and the various other EDI forms are held and maintained by the CEDI. The CEDI system will authenticate that the submitter is authorized EDI submitter.

Current EDI submitters who have completed an EDI enrollment form with the CEDI do not need to re-enroll and complete a new form when an incoming DME MAC replaces

the existing DME MAC. The existing EDI enrollment forms will remain in the possession of the CEDI system contractor.

6.8.3.6 EDI Communication

The CEDI system contractor will coordinate all EDI related mass communications with the incoming DME MAC. Mass communications will be sent to the submitter community by the CEDI through its listserv and posted to the CEDI website. The contractor will also provide educational materials to the incoming DME MAC for use by its Provider Outreach and Education department. EDI should be emphasized in the incoming DME MAC's implementation bulletins, listservs, and seminars/workshops.

6.9 Electronic Funds Transfer Form CMS-588

An incoming MAC will no longer be required to obtain a new **Form CMS-588, Authorization Agreement for Electronic Funds Transfer** from providers so they can continue to receive Medicare payments electronically. All providers who currently receive EFT payments will continue to do so under the incoming MAC. Providers who have not signed the May 2010 or later version of the CMS-588 will have to complete a new EFT agreement as part of the revalidation process conducted by the CMS provider enrollment group.

6.10 Portal Information

In order to minimize the impact on the provider community, certain outgoing MAC portal information shall be shared with the incoming MAC. The outgoing MAC shall supply a list of providers that access its provider portal, along with certain subscriber data. This information does not contain proprietary or business information. CMS has determined that it is covered under the Rights in Data clause of the MAC contract and is releasable to the incoming MAC.

The following information should be included in any portal list released to the IMAC:

- Provider name;
- Provider NPI;
- Line of Business (Part A/Part B/DME);
- Phone number/extension;
- User name;
- User type (provider, billing service, or clearinghouse);
- Provider/company address (street, city, state, ZIP); and
- Provider/company email address.

If the outgoing MAC has a non-disclosure agreement with its providers, it has the option to have the incoming MAC sign a disclaimer agreement before the data is transferred. The outgoing MAC's legal team shall initiate the disclaimer and send it to the incoming MAC for review and signature. If the outgoing MAC still has a concern with providing

the data, it can send an email to its portal participants asking if anyone wishes to opt out prior to the information being transferred to IMAC. The data for those providers who opt out should not be transferred to the incoming MAC.

In addition to portal subscriber information, the outgoing MAC should also provide a list of current portal functionalities, a portal user manual, if applicable, or a website that has pertinent FAQs about the portal. The outgoing MAC should also provide the current portal authentication method, including a yearly recertification schedule, if there is one. The incoming MAC should analyze all of the portal information as soon as possible to determine how to transfer providers into its portal with minimum disruption. The IMAC should also assess the feasibility of adding new functionality currently provided by the outgoing MAC into its existing portal. Normally, the outgoing MAC should refrain from adding new functionality to its portal during the transition.

6.11 Access to CMS Systems

It will be necessary for the incoming MAC to have access to CMS computer systems and the new workload numbers within those systems. If the incoming MAC is a current Medicare Administrative Contractor, it will follow its normal procedures for obtaining employee access. The mechanisms for handling these changes in user access are the Enterprise User Administration (EUA) and Individuals Authorized Access to CMS Computer Services (IACS). The CMS Resource Access Control Facility (RACF) coordinator is also involved in the process.

The Change Request to establish new Part A and Part B workload numbers will identify all of the CMS systems that need to be updated with the new numbers (**Chapter 5.8**). However, the CR cannot be fully implemented until the cutover to the incoming MAC. Therefore, making the IMAC users known to those systems at the time of the cutover will involve a highly coordinated process. Due to programming constraints, some components may not be able to make the requested updates until the actual cutover date. The incoming MAC should designate individuals to validate user access at regular intervals following cutover until all changes have been completed. The Implementation Lead will follow up with the IMAC to ensure all requested changes are effectuated.

If outgoing MAC employees will be employed by the incoming MAC, they must have their access to CMS systems deleted by the outgoing MAC. The IMAC will then request new access to CMS computer systems for those individuals previously employed by the outgoing MAC. **System access cannot be transferred from one MAC to another.** However, there may be a need for some outgoing MAC employees to retain their access to perform outgoing MAC 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. The incoming MAC can “un-delete” the new IDs to the correct primary keys once the outgoing MAC submits the request to delete the old IDs.

6.12 Security Reviews

System security is a key component of MAC operations that needs to be implemented and evaluated prior to the incoming MAC becoming operational at cutover. In CMS, the Medicare Contractor Management Group (MCMG) is responsible for evaluating the security of the incoming MAC's system in accordance with the requirements outlined in Section 912 of the Medicare Modernization Act. Existing MACs that process Part A/ Part B and DME workloads have a Section 912 evaluation performed every year. The most recent Section 912 evaluation can be used to satisfy the requirement for a security review prior to becoming operational at cutover.

An incoming MAC that has not previously processed Medicare workloads or has not had a Section 912 evaluation completed within the previous 12 months will need to have a Section 912 evaluation performed before prior to cutover. If such a situation exists, the incoming MAC must notify the incoming COR/Implementation Lead, who will then coordinate with the Division of MAC Systems Security and Operations Oversight (DMSSOO) in MCMG to schedule an evaluation.

Chapter 7: INCOMING MAC: TRANSFER OF MAC FUNCTIONS AND OPERATIONS

7.1 Overview

While the incoming MAC is obtaining resources and preparing the infrastructure, it must also plan, organize, and control the orderly transfer of the outgoing MAC's workload. The incoming MAC will need to obtain as much information as possible about the workload and business procedures of each operational area. This information gathering process is an ongoing activity that will continue, to one degree or another, throughout the transition. The initial operational assessment/due diligence and ongoing workgroup activities will provide the structure to assess the various functions performed by the outgoing MAC. This analysis will help the incoming MAC 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 MAC's performance during the transition period, the incoming 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 IMAC may also implement process improvements and/or operational changes based on its assessment, as well as reevaluate its staffing requirements. The incoming MAC must be aware of all productivity, production capacity, and quality issues so that they may be addressed. In addition, it must be aware of CMS contractual requirements and all manuals, performance requirements, transmittals, etc. as they relate to any implementation activity.

The incoming and outgoing MACs must work closely together to coordinate activities and monitor inventory and staffing changes throughout the transition. Both MACs must also anticipate the likelihood of increased workloads (especially appeals) just prior to cutover. If the incoming MAC is currently a Medicare Administrative Contractor, it will need to verify that its Medicare operation and system is capable of supporting the workload that is being assumed. It must also ensure that all parties acknowledge and perform their responsibilities in regard to interfaces and connectivity.

The incoming MAC will need to negotiate and execute all required joint operating agreements (JOAs) and contracts. The IMAC must have a complete list of trading partners and make certain that trading partner agreements are updated to support operations. If the incoming MAC will be assuming the outgoing MAC'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.

7.2 Initial Operational Assessment/Due Diligence

7.2.1 General

The incoming MAC will normally perform an initial assessment of the outgoing MAC's Medicare operations and business processes soon after jurisdiction kickoff. The purpose is to obtain as much information as possible about the outgoing MAC's current processes, activities, unique arrangements, assets, documentation, and overall business operations in a limited amount of time. This information gathering process is known by a number of different terms: operational assessment, due diligence, operational analysis, and gap analysis. All functional areas (claims processing, medical review, provider enrollment, audit and reimbursement, provider education, Medicare secondary payer, financial, appeals, customer service, etc.) and all business operations and procedures need to be analyzed. The focus of the analysis will be dependent upon the statement of work for the MAC contract, the nature of the incoming MAC's proposal, and what proprietary or business operation information the outgoing MAC is willing to provide.

The information obtained will be used by incoming MAC management and the transition workgroups to: 1) gage the work to be performed; 2) develop/refine its deliverables list and issues log/action item list; and 3) determine the need for any changes to the IMAC's implementation approach or Jurisdiction Implementation Project Plan (JIPP). The assessment will facilitate the absorption of the workload into the incoming MAC's operational environment, help ensure a smooth transition, and lessen any impact to beneficiaries and providers. After the initial assessment has been completed, the various workgroups will continue to examine outgoing MAC functions and operations throughout the transition period as part of their ongoing workgroup responsibilities.

The incoming MAC should make a concerted effort to complete an initial assessment within the first month of the start of the implementation so that any changes can be negotiated with CMS and incorporated into the implementation project. CMS **strongly recommends** that the incoming MAC make a site visit(s) to the outgoing MAC's operational site(s). The IMAC should contact the outgoing MAC to discuss the possibility of an on-site visit for the initial assessment, the type of information that it 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. If the MACs cannot reach agreement, the incoming and outgoing MACs and CMS will meet to discuss options and try to determine if the two parties can work out some type of arrangement. However, on-site access is the sole prerogative of the outgoing MAC and is not controlled by CMS.

7.2.2 Areas of Focus

The assessment and documentation of the outgoing MAC'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 IMAC'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 IMAC Contracting Officer's Representative.

Workload data and inventory statistics by functional area should be obtained. The OMAC's productivity rates and production capacity may also be analyzed. The incoming 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. Also, the IMAC should determine if there are any special CMS projects, initiatives, or activities that involve the outgoing MAC and the specific timeframes for completion.

The incoming MAC may want to obtain information on the outgoing MAC's performance. The OMAC may provide the requested performance information voluntarily; however, there may be situations where information requests are denied. Certain non-proprietary performance, corrective action, and audit findings may be available through CMS if the outgoing MAC declines to provide the information (see **Exhibit 3, Requested Documentation/Information from the Outgoing MAC**). If the incoming MAC cannot reach agreement with the outgoing MAC and believes that the requested information is appropriate and necessary for a successful implementation, it should contact the CMS Implementation Lead or IMAC Contracting Officer's Representative.

7.2.3 Specific Assessment Activities

The following are some of the areas or activities that are normally analyzed as part of the incoming MAC's initial assessment/due diligence. More detailed information regarding analysis of various operational/functional areas is found in **Chapter 7.4**.

7.2.3.1 Local Coverage Determinations

The outgoing MAC will provide the IMAC with all Local Coverage Determinations (LCDs) and retire its LCDs in the Medicare Coverage Database. The incoming MAC will analyze the LCDs to determine their applicability to the IMAC's statement of work and contract. If the IMAC is a current MAC for another jurisdiction, it will also analyze its comparable LCDs with those of the outgoing MAC to determine any changes. The incoming MAC must use the most clinically appropriate policy currently in place when determining its LCDs. Determining what is most clinically appropriate is a judgment the IMAC must make in the context of its awarded jurisdiction. It has the discretion to involve the provider community in the selection process. The IMAC should also review the active edits in the system related to the LCDs.

The LCDs should be in place at jurisdiction cutover and the incoming MAC must educate the affected provider community of any change in LCD policies. Although it is encouraged, a MAC is not required to utilize the formal notice and comment revision process as outlined in Chapter 13 of the Program Integrity Manual (PIM) during an implementation. However, the incoming MAC must notify the provider community within its jurisdiction which LCDs it has

adopted no less than 45 days prior to those policies being implemented. There may be circumstances that would prevent the IMAC 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.

For DME MACs, LCDs are the same for all four DME jurisdictions. They may only be created or changed with the approval of all of the DME MAC Medical Directors.

7.2.3.2 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 MAC 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 Medicare claims processors. It is possible that the same claim may be denied by one MAC, suspended by another, or returned to the submitter by a third MAC.

CMS requires the FISS and the VMS shared system edits (reason codes, local business rules, etc.) to be the same for the entire jurisdiction. The MCS shared system edits do not have to be the same, but the incoming MAC may propose to do so during the implementation period as part of its proposal.

The incoming MAC must analyze the outgoing MAC's existing edits and determine if they meet the requirements of the IMAC's statement of work and contract. The IMAC should consider operational efficiencies, minimization of disruption to the provider community, and other pertinent factors when determining edits. A single set of edits will include a single defined action for each code. All final edits must be tested prior to their implementation.

Changes to an outgoing MAC's edits must be analyzed to determine if there will be any impact to the provider community. **Any edit/processing changes that affect providers/ submitters must clearly be communicated early and often by the incoming MAC in newsletters, bulletins, listservs, training seminars/workshops, and teleconferences**.

Certain pre-pay LCD or medical review edits may be turned off by the outgoing MAC as part of developing the stop-work procedures during the cutover process. The outgoing MAC 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.

It is also important to note that while an outgoing MAC may consider its internal processing instructions to be proprietary, the OMAC must provide the incoming MAC with the rationale and background data supporting the edits/audits.

7.2.3.3 Outgoing MAC Workload and Inventory

The outgoing MAC will submit a document that contains monthly jurisdiction workload data for the **12-month** period prior to the jurisdiction kickoff. CMS and the incoming MAC will use the information as a baseline to monitor various functional workloads to assist with staffing activities and possible early movement of certain workloads. The baseline information is due within **15 days** of the kickoff meeting. See **Exhibit 4, Sample Baseline Workload Templates**.

In addition, from the jurisdiction kickoff to the actual cutover the outgoing MAC will submit a weekly workload report to CMS. The purpose of the report is to help determine if there are issues with the outgoing MAC's operations that may affect the incoming MAC's implementation or operations after cutover. Weekly reports will be consolidated on a monthly basis and added as a cumulative update to the baseline documentation, with monthly totals shown against estimated monthly workload goals. Based on the workload data and any operational issues that may arise, the IMAC will take appropriate action to modify its implementation activities and/or risk mitigation/contingency plans.

Data obtained in the weekly workload reports will include:

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

7.2.3.4 Staffing Levels

CMS and the incoming MAC will also monitor the outgoing MAC's staffing levels by functional area. The OMAC will provide a weekly breakout of staff showing 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.). Based on workload and staffing reports, it is possible that a particular function may be moved to the incoming MAC sooner than expected or that the IMAC will need to obtain and train additional staff to handle an increased volume of workload transferred at cutover. The project schedule and costs would be modified accordingly.

7.2.3.5 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 to 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, CMS and the MACs must annually evaluate and report on the control and financial systems that protect the integrity of Federal programs.

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

7.2.3.6 Performance Evaluation

It is possible that there will be a Corrective Action Plan (CAP), Action Plan, or other type of corrective action in place for nonconforming performance found at the outgoing MAC's operation as a result of a Quality Assurance Surveillance Program (QASP) or other type of CMS/government review (e.g., CFO, A-123, SAS-70, OIG audit). The disposition of such action plans will depend upon several factors, such as the incoming MAC's contract requirements, the relationship that the incoming MAC will have with the outgoing MAC or its staff after cutover, and if the incoming MAC is an existing Medicare claims processor.

If the incoming MAC is a current Medicare claims processor, the incoming COR and Implementation Lead must be aware of any performance issues or action plans that the incoming MAC may have in place at its own operation. This is to ensure that any applicable items addressed in those corrective action plans are applied to the workload being transferred.

If the incoming MAC will have a contractual relationship with the outgoing MAC (e.g., subcontractor, partnering arrangement, etc.) or if it will be utilizing the outgoing MAC's staff and/or facilities (e.g., a turnkey arrangement), CMS will determine if the action plan can be closed because of the incoming MAC's processes or procedures, either in place or proposed. If it cannot be closed, the IMAC will be responsible for completing any outstanding parts of the plan once it becomes operational, or develop an alternative action plan with the approval of CMS.

If the incoming MAC is an existing MAC with no corrective action plan(s) in place for its performance, or if the IMAC will not have a relationship with the outgoing MAC or its staff, then there should be no need for the IMAC to become involved with the OMAC's corrective action, other than knowledge of its existence and any effect it may have on the incoming MAC's implementation or operation.

There may also be a situation where nonconforming performance is found in an outgoing MAC's operation, but no action plan is in place. In such cases, the Implementation Lead or Contracting Officer's Representative will review the nature of the nonconformance with the incoming and outgoing MACs and determine if the deficiency can be eliminated prior to cutover or if it will be necessary for the incoming MAC to develop a post-cutover action plan.

7.3 Operational Assessment/Due Diligence Findings

The incoming MAC will determine if any changes should be made to its implementation approach, operational design, or project plan based on its analysis of the outgoing MAC's operations and documentation during the transition. The IMAC 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 incoming MAC may find the need to revise its risk mitigation and communication plans based the results of its due diligence. Provider education and training may also need to be modified. In addition, the IMAC may determine that it might be beneficial to move certain functions earlier than originally planned. The incoming MAC must update CMS on its due diligence findings and discuss any possible actions to be undertaken.

7.4 Functional Area Assessments

As part of its operational assessment and preparation for transferring the outgoing MAC's Medicare workload, the incoming MAC will need to review information and processes for the following functional areas:

7.4.1 Claims Processing

The incoming MAC should analyze workload data for all claims processing areas for the outgoing MAC's current and preceding year. The outgoing MAC's baseline workload templates for the 12-month period prior to kickoff (**Chapter 12.5**) and subsequent weekly workload reports (**Chapter 12.2.8**) should provide the basis for the analysis. High volume edits, returns, and rejects should be examined. Backlogs should be identified to see how they may affect the implementation schedule or require certain functions to be moved earlier than planned. The IMAC must work closely with the outgoing MAC to understand how acceptable workload levels will be maintained during the transition 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 incoming MAC should request the OMAC'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 IMAC to determine procedural differences between its operation and the outgoing MAC's operation. Any applicable QASP results should be reviewed, as should desk procedures and management reports.

The outgoing MAC may not be willing to provide certain requested information because of its proprietary or business nature. If the IMAC believes the outgoing MAC 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 5.9** and **Exhibit 3, Requested Information/Documentation from the Outgoing MAC**.

7.4.2 Customer Service

The incoming MAC will need to review the outgoing MAC's provider service policies and procedures to determine procedural variances. 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 incoming 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 such as open provider written and telephone inquiries should be obtained. The IMAC should also analyze data on callbacks, email inquiries, the logging and tracking of calls and written inquiries, and quality call monitoring. Copies of quality focused audits performed in past year and any external reviews should also be reviewed. The level of automation for correspondence generation should be assessed and forms, listings, and any routine reports may be examined.

The incoming MAC must meet with the Beneficiary Contact Center (BCC) contractor to obtain call data and to establish protocols for processing complex beneficiary inquiries (**Chapter 3.4**). The IMAC must also make any necessary modifications to its ARU/IVR scripts to reflect the acquisition of the outgoing MAC's workload. Any outgoing MAC workload reduction plan will be monitored during the implementation. Should customer service indicators show deterioration below acceptable standards, CMS may request that the incoming MAC assume some or all of the customer service functions earlier than originally scheduled.

7.4.3 Medicare Secondary Payer (MSP)

The IMAC will need to gather MSP documentation from the outgoing MAC and analyze current operations, desk procedures, and management reports. It will need to obtain copies of MSP reports relative to the workload and pending caseload, as well as a list of

all open/active cases and correspondence. The IMAC should review MSP post-payment activities (pending subrogation liability cases, IRS/SSA/CMS data match files and outstanding cases, routine recovery, etc.) and MSP debt referral (DCIA process).

The outgoing MAC's current process of tracking accounts receivable will need to be reviewed. The IMAC should determine the status of MSP accounts receivable and work with the outgoing MAC to move any accounts receivable to the incoming MAC's financial system. The incoming MAC will also need to determine the status of the MSP accounts receivable write-off and identify and reconcile MSP accounts receivable. Also see **Chapter 10.5**.

7.4.4 Medical Review

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

The incoming MAC must review the MR/Local Provider Education and Training (LPET) strategy and reports, as well as the processes and procedures for identifying program vulnerabilities. It should 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 IMAC must be able to receive any workload related to ongoing interventions that address a prioritized problem from the outgoing MAC's MR/LPET strategy.

The IMAC should monitor inventory and track the outgoing MAC's automated and manual workloads. Automated review tools should also be analyzed. The incoming MAC must meet with OMAC's Medical Director and other MR staff to discuss Local Coverage Determinations (LCDs). The outgoing MAC must retain its LCDs and MR edits until cutover and will provide the historical record for each LCD to the incoming MAC. Advisory committee activities should also be reviewed with the outgoing MAC.

In addition, the incoming MAC must discuss and coordinate MR activities with the Quality Improvement Organization (Part A/Part B MACs) or the Pricing Data Analysis and Coding contractor (DME MACs) and the Zone Program Integrity Contractor/ Program Safeguard Contractor (ZPIC/PSC).

7.4.5 Appeals

The incoming MAC will need to assess the outgoing MAC's appeal procedures and obtain the status of the first level appeals (redeterminations) that are currently in progress. The IMAC will work with the outgoing MAC to develop an estimate of the redeterminations that will be completed prior to cutover and those that will be forwarded to the incoming MAC. The IMAC 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 3.5**.

7.4.6 Provider Audit and Reimbursement

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

7.4.6.1 Audit

The incoming MAC will 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 IMAC 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 incoming 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 IMAC will also need to determine how files are stored and determine which will be shipped to its operational location.

The outgoing MAC's annual master audit plan will need to 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

will be of benefit to the IMAC when developing its master audit plan for the coming year.

7.4.6.2 Reimbursement

The incoming 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 IMAC 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.

In addition, the incoming 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 IMAC 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.

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

7.4.7 Provider Enrollment

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

The incoming and outgoing MACs will determine when the cutoff for requests will occur and when all applications will be forwarded to the incoming MAC. Providers must be notified of when and where applications should be mailed. The IMAC 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 incoming MAC must verify that it will have access to all PECOS files and records for the providers and suppliers currently enrolled at the time of cutover.

7.4.8 Provider Education and Training

The incoming 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. The incoming 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 incoming MAC will need to obtain training history from the outgoing MAC. 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 OMAC's provider bulletins and newsletters from the past two years may be of benefit as the incoming MAC develops its education and training plans.

The IMAC will need to work closely with the outgoing MAC to be certain that transition information is transmitted clearly and frequently to providers. When the outgoing MAC holds its regularly scheduled provider/association/specialty group meetings, the IMAC should be in attendance so that it can make an introductory presentation. Joint meetings should continue throughout the transition. The incoming MAC should also provide transition information for the outgoing MAC's website, listserv, and other provider notifications. See **Chapter 8, Incoming MAC: Communications** for additional information.

7.5 Print/Mail Operations

The incoming MAC will need to analyze the outgoing MAC's mailroom workflow and operations to determine how mail functions will be transferred. The IMAC 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 incoming MAC should meet with post office representatives to explore its mail options. The post office can change the ownership of existing boxes, thereby keeping the same post office box numbers for the incoming MAC, or forward mail to other locations. The IMAC may also want to have multiple boxes to handle specific types of claims. The incoming 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 incoming and outgoing MACs should determine how existing mail will be transferred at cutover. The MACs will need to reach agreement on arrangements for transferring mail that is received by the outgoing MAC after its contract ends. Both MACs will 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 MAC after cutover (see **Chapter 10.7.2**). Any new mailing arrangements must to be communicated to providers and submitters through bulletins, websites, and listservs as part of the incoming MAC's provider education efforts.

Print requirements for the jurisdiction must be analyzed. The IMAC should evaluate usage trends for letterheads, envelopes, and internal forms. It will also analyze all print job requirements, identify any changes, and evaluate any impact caused by obtaining the outgoing MAC'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 incoming MAC will need to 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 incoming MAC needs to understand the current process and schedule that the outgoing MAC uses to generate and mail MSNs. The IMAC must also test check generation, the check signing process, Magnetic Ink Character Recognition (MICR) check acceptance by banks, bar coding, sorting, and mail stuffing.

7.6 Determining Stop Work Dates

The incoming MAC and outgoing MACs must discuss and agree upon the dates when the various types of workload will stop being processed in the OMAC's claims processing 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 MAC cycles, first incoming MAC cycles, etc. **Figure 7.1** below outlines the key items that need to be discussed and agreed upon by both the incoming and outgoing MAC project management teams 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.**

It should be noted that some of these 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). Therefore, the incoming MAC and the outgoing MAC should do their best to estimate these dates until the final dates are established. The incoming MAC will have the lead in developing the timeline for the initial stop work dates with input from the outgoing MAC. They will then work together to finalize and approve a document that

contains detailed department-specific stop work dates which will then be incorporated into the cutover plan (**Chapter 15.3**). This must be accomplished well in advance of the dates that work is scheduled to stop. If key dates on the timeline change, the IMAC should distribute the revised timeline to all workgroups so they can adjust their stop work dates accordingly.

The incoming MAC should also refer to **Exhibit 7, MAC Cutover and Workload Transfer Planning Document**. The most recent version of this document will be provided to the MACs 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 OMAC	
Dark day(s)	
Cutover day	
Go Live day	
First incoming MAC payment cycle	

Figure 7.1 *High-Level Stop Work Date Timeline*

7.7 File Inventory

During the transition, the incoming and outgoing MACs shall work together to identify all the files that will need to be transferred to the incoming MAC.

7.7.1 General

As soon as possible after contract award, the outgoing MAC will develop an inventory of the Medicare files in on-site and off-site locations (hardcopy records, imaged records, standard system files, EDI files, LAN electronic files, etc.). During this process, the OMAC must also identify any files that are in a proprietary format which would preclude the use of the data by the incoming MAC. If such is the case, the outgoing MAC 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 incoming MAC at least

45 days prior to cutover, with a copy to CMS. All required updates to files must be made prior to transfer.

The incoming MAC should provide the outgoing MAC with the specific format for compiling the inventory of hardcopy and electronic records. This will ensure that the IMAC gets the information in a workable format. If the inventory is in flux (commingled files being separated, files being moved from one site to another, etc.), the IMAC should request a regular progress update.

The incoming 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 first draft of the file transfer plan that will be developed by the incoming MAC and distributed to the outgoing MAC for its review and input (see **Chapter 15.11.2**). A list of the types of files that an incoming MAC would request from an outgoing MAC is found in **Exhibit 5, Types of Files to be Transferred to a Medicare Administrative Contractor**.

Because of the complexity of the electronic file transfers, the outgoing MAC's contract end date should be taken into consideration throughout the planning and transfer process. If it is estimated that the transfers may continue past the contract end date, the incoming MAC will need to consult with CMS for alternative methods to ensure all files required are transferred prior to that date.

It is possible that the outgoing MAC has a data access agreement with another Medicare claims processor who possesses archived commingled Medicare records that include providers currently serviced by the outgoing MAC. If such is the case, the incoming MAC will need to contact the Medicare claims processor who has responsibility for those records and negotiate a new data access agreement. The IL and incoming COR will be involved in the discussions regarding access to commingled files and will provide a sample to assist in the development of a new data access agreement.

7.7.2 Mainframe

The movement of mainframe files may be internal or external, depending on where the files are located. Most mainframe files of the outgoing MAC will be resident at the VDC. 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 incoming MAC should test that files can be transferred. After the actual transfer, the files should be reconciled with the directory.

The incoming MAC must work with the VDC 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.

7.7.3 LAN/PC-Based Files

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

7.7.4 Hardcopy

Prior to the actual transfer of files, the outgoing MAC must provide to CMS and the incoming 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 IMAC will begin to develop a draft file transfer plan with tentative shipping dates and work with the outgoing MAC to ensure that those dates can be accommodated.

The incoming MAC must determine which hardcopy files will be moved and to what location. The outgoing MAC must provide information on any off-site storage sites: what files are stored, content, volume, and security. The IMAC may schedule a meeting with the outgoing MAC and the storage facility to discuss transfer activities and access. The incoming MAC should determine if any existing storage contract held by the OMAC can be assumed, or if new storage agreements must be negotiated. When storage arrangements are made, the incoming MAC will need to establish or review its storage and retrieval protocols. See **Chapter 15.11.7** for additional information.

Chapter 8: INCOMING MAC: COMMUNICATIONS

8.1 General

In addition to the requirements for providing information to CMS, it is imperative that the incoming 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 incoming MAC will need to determine the most effective communication methods and schedule for providing information throughout its jurisdiction.

The outgoing MAC will assist the incoming MAC with a number of its communication activities and must be consulted when the IMAC refines its communication strategy after contract award. The OMAC will provide information regarding the transition to its beneficiaries and providers throughout the transition period and will include the incoming MAC when conducting its ongoing beneficiary and provider meetings. Both MACs should work together to develop newsletter articles, ARU/IVR scripts, and language for the outgoing MAC's Remittance Advices and MSNs.

8.2 Communication Plan

The incoming MAC will describe its overall jurisdiction communication activities in the Jurisdiction Implementation Project Plan and is responsible for developing a detailed communication plan as it obtains additional information during the implementation. It will submit a draft baseline communication plan within **30 days** after the kickoff meeting, unless otherwise required by the MAC contract statement of work or directed by the COR. The plan will detail the procedures, means, and schedule that the incoming MAC will follow to ensure that all stakeholders are informed of the status of the transition and its impact upon them. The communication plan should be updated on a weekly basis and submitted with the Implementation Project Status Report (**Chapter 11.2.5**).

The plan may be in chart, table, or WBS project plan format. It is important that the IMAC work with the outgoing MAC and other involved parties when developing the baseline implementation communication plan. The outgoing MAC will be of great assistance to the IMAC and will have detailed practical information for communicating with the various provider groups, associations, government officials, and other

stakeholders within the jurisdiction. The IMAC should also provide the subscriber list for any Medicare listservs that it maintains (**Chapter 8.12**).

The 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 the incoming MAC and stakeholder.

8.3 Public Announcement of Award

The incoming 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 the jurisdiction and to broadcast and social media. As detailed in **Chapter 4.2**, CMS will provide input and review the content prior to any release.

The IMAC should also make introductory calls to the major professional organizations (medical societies, hospital associations, specialty groups, etc.) within the jurisdiction. The incoming MAC should assure the organizations that all parties involved in the transition will be cooperating fully and that there will be minimal, if any, disruption to providers and beneficiaries. The MAC may also want to make initial contact with the various state Congressional delegations to convey the same message.

8.4 Congressional Contact

Given the high visibility of a Medicare workload transition, the incoming MAC must establish a relationship with Congressional delegations and continue that relationship throughout the transition. The IMAC must be sensitive to the interests of the Congressional delegations within its jurisdiction. Members of Congress need to understand the impact of the incoming MAC's contract award, especially on the outgoing MAC's staff, and they need to be aware of the implementation plan and schedule.

The MAC should meet with Congressional staff at local offices throughout the jurisdiction. These introductory meetings should take place as soon as possible after contract award. The MAC may also find it beneficial to conduct a "meet and greet" session with Senators and Representatives at their Washington, D.C. offices.

Members of Congress should be regularly updated regarding the progress of the implementation. The incoming MAC must also discuss any policy or procedure changes that will impact the provider community because of the change in MAC contractors.

Congressional "Ask the Contractor" teleconferences have proved to be effective in keeping congressional staff informed of the progress and issues involved in the IMAC's implementation.

8.5 State and Local Government Contact

The incoming MAC should also hold introductory meetings with 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 incoming 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.

8.6 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 incoming 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.

8.6.1 Professional Organization Contact

It is important for the incoming MAC to establish a relationship with the major professional and provider organizations within its jurisdiction. This will include organizations such as hospital associations, medical societies, and specialty groups. The incoming MAC will work with the outgoing MAC to obtain information and contacts for provider groups within the states it serves. The outgoing MAC should discuss its working relationship with these groups and provide the IMAC 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 incoming 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 IMAC 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 incoming MAC could offer to make speakers

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

The incoming MAC may send a monthly status bulletin/newsletter to the major provider associations to update the status of the transition and discuss any policy issues that may affect providers. It should obtain provider input on subject areas to be discussed at workshop/seminar/training sessions. The outgoing MAC can also prove helpful in planning provider sessions and by offering suggestions on the best location and facilities for those meetings.

8.6.2 Provider Contact

The incoming and outgoing MACs must work together to develop a communication strategy for providers. A complete list of providers must be obtained and 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 incoming MAC as soon as possible after contract award with information about the upcoming transition, the implementation schedule, and contact information. The incoming MAC may wish to personally contact the largest billing providers/submitters or network service vendors in the jurisdiction. In addition, the IMAC may establish a special implementation hotline for providers.

The IMAC will continuously disseminate provider information during its implementation. Updates and reminders covering information such as the cutover schedule, specific changes to expect, upcoming provider workshops/teleconferences, early boarding activities, and claims submission should be sent to providers by various means. About a month prior to cutover, the incoming MAC should send a special cutover reminder notice to all providers reminding them about payment procedures, dark days, and other changes.

The IMAC should also work with the outgoing MAC to develop transition articles for the OMAC's provider bulletins and other publications. Beginning two months prior to cutover, the incoming MAC should develop language for the outgoing MAC's Remittance Advices. This language will remind providers of the upcoming change in Medicare Administrative Contractors and the associated cutover activities. The IMAC should also be a part of any Provider Advisory Group that is currently in place.

8.6.3 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 IMAC to introduce its provider relations representative to the provider community. The incoming MAC will also be able to assess areas of provider concern and answer questions directly. Provider workshops, seminars, and/or

teleconferences may be developed to serve two different audiences: managers/executives and office/claims billing personnel.

Sessions will review the schedule of transition events and the changes that providers can expect when the incoming MAC assumes the workload. Topics will include EMC and any front end changes, claims submission and address changes, interaction with the functional contractors, and dark days. Edits/LCDs and the possibility of increased suspension/rejection of claims may also be discussed. The IMAC may also use the workshops 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 that the incoming MAC will assume. The location of any workshops or seminars should take into consideration major providers and population areas. The outgoing MAC should have a representative present at any sessions that are held. It 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 held six to eight weeks before cutover, with additional meetings scheduled if necessary.

8.7 Beneficiary Communication

While 1-800-MEDICARE and Beneficiary Contact Centers lessen the need for beneficiary contact with MACs, the incoming 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;
- social media;
- 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 incoming MAC's name, address, new post office boxes for claims submission, and the effective date of the change of MAC contractors should be provided when informing the above contacts. The outgoing MAC can help the IMAC disseminate transition information to beneficiaries. The IMAC should attend the outgoing MAC's regularly scheduled beneficiary outreach and beneficiary advisory or advocacy group meetings. The OMAC can also assist the incoming MAC in assessing demographic and language needs and developing language for mail stuffers or MSN messages. Distribution of these messages would begin approximately two months prior to cutover. Beneficiaries should also be able to access transition information on ARU/IVR scripts and both MACs' websites.

8.8 Social Security Administration

The incoming MAC should prepare a notice about the change of Medicare Administrative Contractors and distribute it to the Social Security Administration (SSA) district offices within its jurisdiction. The IMAC 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 the effective date of the change.

8.9 Transition Partners

Communication with the major participants in the implementation (outgoing MAC, VDC, shared system maintainer, HIGLAS, CEDI, NSC, PDAC, PSC, QIC, etc.) shall be thorough and continuous. Protocols for communication are discussed in **Chapter 3, Interaction with Other CMS Components and Functional Contractors**, and **Chapter 11, Incoming MAC: Meeting and Documentation Requirements**. Other organizations that interface or have an interest in the transition (trading partners/crossovers, ZPIC/PSCs, QIOs, BCRC, other MACs, etc.) should be contacted to discuss expectations, implementation issues, interface protocols, case review, and workflow. The incoming 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.

8.10 Internal Communications

It is important that the incoming MAC keep its employees informed about the progress of its implementation. 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 MAC's staff, especially if they will be employed by the IMAC after cutover.

8.11 Website

As part of its communication efforts, the incoming 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 the outgoing MAC agrees, transition information and links to the incoming MAC's website may be shown on the OMAC's website. For quick electronic updates, the incoming MAC may also establish an e-mail mailbox link for electronic inquiries and/or transition listserv subscriptions.

8.12 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.

The MACs 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 incoming MAC can request that the outgoing MAC transfer its electronic mailing list(s) in order to facilitate rapid electronic communications with the providers/suppliers in the jurisdiction. 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 MAC will need to obtain written permission from its Contracting Officer's Representative prior to transferring the list.

8.13 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.

8.14 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 15.14**.

Chapter 9: INCOMING MAC: TESTING

9.1 Overview

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 incoming MAC should not underestimate the time and effort needed to establish a test team, create a test plan, and develop test cases prior to the actual start of testing. CMS may 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 the workload cutover.

9.2 Test Plan

The incoming MAC must develop and maintain a comprehensive test plan for its workload implementation. The plan will provide a detailed narrative describing the activities necessary to test the 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 incoming MAC's Jurisdiction Implementation Project Plan (JIPP). Part A/Part B MACs should develop separate test plans for each workload.

The plan should describe the IMAC's general approach to testing and should discuss resources, types of tests, and schedules. A draft test plan should be developed within **30 days** of the jurisdiction kickoff or as directed by the Implementation Lead. After the incoming MAC completes its due diligence and has had discussions with the involved participants, a final comprehensive test plan will be submitted to CMS for review and approval. The date of submission will be determined by the Implementation Lead. The test plan will be the basis for CMS's approval to begin the actual workload 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. 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 incoming MAC's Medicare operation (CMS, data center(s), CWF, shared system maintainers, functional contractors, trading partners, and claims submitters) should be considered within the scope of the plan. The incoming MAC must meet with its VDC, 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 incoming MAC's Implementation Project Status Report.

9.2.1 Scope/Approach

The scope of the test plan should define what is to be tested and the approach that the incoming 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 IMAC'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.

9.2.2 Roles and Responsibilities

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

9.2.3 Types of Tests

There are a number of 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 implementation and other tests not listed below may be performed. The testing activity in sum will determine the operational readiness of the IMAC for cutover. Testing terminology may vary from organization to organization, and several types of tests may be performed together. The incoming 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.

9.2.3.1 Connectivity/Shared System Validation

This area of testing will ensure that there is connectivity between the incoming MAC operational site(s), the CMS-designated Virtual Data Center (VDC), and any IT facility that will support the incoming MAC (e.g., front end and/or back end applications or

services). The IMAC's access to CMS and other entities (ZPIC/PSC, QIC, remote entry, 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 incoming MAC will also ensure that the online and batch components of each Medicare shared system is properly installed and that data files are available to test.

The incoming 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.

9.2.3.2 File Conversion

If there are any files or data to be converted during the implementation, the incoming 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 IMAC must work with the maintainers to resolve any conversion issues and verify any subsequent reconverted data.

9.2.3.3 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 and through payment cycles should be run in the IMAC'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 Function Test.

9.2.3.4 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 incoming 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; and
- 1099 process

9.2.3.5 End-to-End Test

In addition to the system and interface testing that verifies production readiness, the incoming MAC must perform end-to-end testing. This test utilizes the VDC, any IT facility supporting the IMAC, and external interfaces to insure that all components of the incoming 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 incoming MAC will develop specific test cases to ensure that full system functionality will be tested from beginning to end. The IMAC 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 IMAC's production processes. It will transmit claims keyed locally and remotely (e.g., key shop), OCR, and EMC claim files from the EDI front end to the IMAC's VDC. The claims will be brought into the FISS, MCS, or VMS system in the same manner as will occur in the live production environment after cutover. The files will be processed through the FISS, MCS, or VMS 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 incoming 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 IMAC to proceed with the cutover. The incoming 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.

9.2.3.6 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 Virtual 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 VDC will monitor online access and response time during the test.

9.2.3.7 Volume Test

A volume test represents 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 VDC has the appropriate hardware to handle an abnormally large volume of claims. In its test plan, the incoming 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.

9.2.3.8 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 incoming MAC's shared system production environment. During the implementation, the IMAC may receive shared system releases that must be installed prior to, or concurrent with, a cutover. As such, the IMAC will be required to develop release test plans and incorporate them into the overall implementation test plan.

9.2.3.9 EMC Test

Regardless of the method of transmission of claims information, all submitters must electronically produce accurate claims. For the incoming Part A/Part B MAC, the testing of the EMC process is a critical part of the overall implementation test plan and it is through testing that submitters find errors, omissions, and conflicts within their systems. Testing allows these problems to be corrected before actual 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 incoming MAC a test file containing a minimum of 25 claims, which are representative of their practice or service. The IMAC 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 incoming MAC contact EMC submitters through its communication and educational plan to inform them about testing opportunities and protocols. The IMAC 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.

Because DME submitters use the Common Electronic Data Interchange (CEDI), an incoming DME MAC will not normally need to perform front end testing with submitters during an implementation.

9.2.3.10 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, HPTP, 835 generation). It is important that both the incoming and outgoing MACs and the VDC 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 made on closeout financial activities, including when the outgoing MAC'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 15.7**.

9.2.3.11 Automated Adjudication Systems

When the incoming MAC takes on the Medicare workload, it will inherit the automated adjudication system (AAS) configurations of the outgoing MAC. The IMAC should review all of the AAS configurations to determine if they are needed for the incoming MAC's environment. If so, the IMAC should fully test the impact of the AAS on claims processing prior to production implementation. The IMAC 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 incoming 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 that is run quarterly to validate the AAS library at each release (CR 3011 and the clarifying CR 5935).

Any changes to an outgoing MAC'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 incoming 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.

9.2.4 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.

It is important to note that if the incoming MAC will need to support cutovers with overlapping activities (e.g., Part A and Part B cutovers occurring a week apart), it must ensure that it has resources to adequately support the overlapping activities. It is critical that there are enough resources to support both activities without diluting those of the second cutover while the first is occurring. If there is a concern, the MAC should discuss this with CMS prior to finalizing the cutover dates.

9.2.5 Schedule

The incoming 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 IMAC 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 activities and tasks associated with those activities will be incorporated into the Jurisdiction Implementation Project Plan (JIPP).

9.2.6 Processes and Documentation

The test plan should 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.

9.2.7 Risks

The incoming 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 IMAC will also need to develop contingency plans should mitigation actions not be effective.

Chapter 10: INCOMING MAC: FINANCIAL PROCESSES

10.1 General

The incoming MAC is responsible for the orderly transfer of financial accounts and documents from the outgoing MAC and the proper payment of claims for the workload that it is assuming. A financial administration component must be established to administer and monitor Medicare program payments and report program expenditures using CMS reporting protocols. The IMAC 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. The incoming MAC must also ensure that its designated bank participates in the appropriate meetings and workgroups involving the transition of banking services and financial processes. CMS will advise the IMAC of the identification numbers to be used for reporting benefit payments.

10.2 Banking

The incoming MAC shall follow established CMS procedures for banking services. CMS will determine which bank the incoming MAC will use for Medicare financial services. The IMAC, CMS, and the bank must enter into a tripartite agreement that describes all of the activities and responsibilities of each party (**Chapter 3.19**).

CMS will issue a letter of credit to fund the incoming 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 IMAC 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 IMAC'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 multiple HIGLAS organizations or have both HIGLAS and non-HIGLAS workloads (DME), separate lines of credit will be necessary for each.

In situations where the outgoing MAC has no other MAC contract and will no longer be processing Medicare claims, CMS may recommend that the incoming MAC enter into a novation agreement with the OMAC's bank. This will allow the IMAC to take

ownership of the bank account immediately upon cutover and assume all responsibility for the account at that time (including bank clears and CMS reporting) until the bank account is closed.

10.3 Invoice Submission and Protocol

The incoming MAC will determine its need for periodic payment during the implementation, but CMS expects that invoices for services rendered will be submitted on a monthly basis. Invoices must be submitted in accordance with the FAR and any requirements specified in the contract. Invoices will be entered into the CMS Analysis Reporting and Tracking (ART) system. Should it be necessary, CMS will provide ART training for incoming MAC personnel; until training has been provided the incoming MAC will need to submit payment invoices in hard copy. All invoices must include supporting documentation.

The incoming MAC Contracting Officer's Representative will review the invoice and may 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 incoming MAC for resolution prior to payment. **Detailed documentation will facilitate the timely payment of invoices.**

10.4 Implementation Costs

The incoming MAC may need to refine and negotiate implementation costs after contract award because of schedule modifications, workload changes, shipping costs, or additional information obtained from the outgoing MAC through due diligence.

Implementation costs represent the efforts of the incoming 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 should not be incurred to any great extent after cutover unless there are significant problems associated with the implementation.

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 incoming 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 incoming MAC will propose a separate implementation cost and will invoice in accordance with **Chapter 10.3** above.

10.5 Accounts Receivable Review

10.5.1 General

Medicare accounts receivable are a significant balance on CMS's financial statements and they require the incoming 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.

10.5.2 Accounts Receivable Reconciliation Process

The outgoing MAC is responsible for the reconciliation of the accounts receivable (AR) for the workload that will be transferred to the incoming MAC. After the jurisdiction kickoff, CMS Central or Regional Office staff will conduct an accounts receivable review of the outgoing MAC. The AR review will normally take place 3-4 months prior to the cutover to allow enough time for the AR review report to be completed and for the AR list to be compiled. Normally the review is conducted on site, but it may be performed from the Central/Regional office. It is recommended that the IMAC attend the entrance/exit conferences and the review sessions. Since it will assume responsibility for any accounts receivable at cutover, the incoming MAC needs to understand the process and the documentation prepared to support the reconciliation.

Sixty (60) days prior to the effective date of the transfer, the outgoing MAC should notify the incoming MAC in writing of all 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 IMAC. In addition to this transmittal, the outgoing MAC 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 MAC should also send the permanent administrative file for each provider/debtor transferred to the incoming 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 incoming MAC will certify the receipt of the transmittal document and return the receipt to the outgoing MAC no later than **10 calendar days** after the date of transfer, with a copy provided to CMS. The IMAC will review and reconcile the accounts receivable transmittal document and the detailed listing with the administrative files transferred from the OMAC. If the IMAC identifies a discrepancy regarding specific accounts receivable, it must meet with the outgoing MAC 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 incoming MAC has one year to review and accept all transferred receivables.

10.5.3 Documentation and Financial Reporting

The incoming MAC must retain copies of all documentation related to the transfer of accounts receivable. The IMAC 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 MAC and the number and value of accounts receivable that were accepted as a result of transition activity. All MACs are subject to audit and may be required to provide supporting documentation for the accounts receivables values reported on CMS financial reports.

10.6 BCRC Coordination

The incoming MAC must meet with the Benefits Coordination and Recovery Center (BCRC) during the implementation to discuss Medicare secondary payer (MSP) issues and crossover claims. The BCRC and IMAC must coordinate activities to ensure that the complementary credit process will take place correctly and that proper BCRC payments are directed to the incoming MAC. Complementary credits will be sent to the new (incoming) MAC effective with the cutover date. CMS will provide the necessary instructions in the implementation Change Request that announces the upcoming MAC transition, cutover dates, and new workload numbers. The IMAC must include the BCRC in the financial workgroup discussions and must ensure that the necessary changes for complementary credits are tested and in place prior to cutover.

The IMAC must obtain a **Medicare Contractor Transition Electronic Transmittal Form** (**Exhibit 9**) from the BCRC no later than **120 days** prior cutover. The form can be obtained from the BCRC at ContractorEFT@ehmedicare.com with the subject line: ETF Form Needed for Upcoming MAC Transition. The completed form must be returned at least **90 days** prior to cutover.

The incoming MAC will also need to obtain a **Coordination of Benefits Agreement (COBA) ACH Electronic Credit Authorization Form** (**Exhibit 10**) no later than **120 days** prior to cutover. This will ensure that the BCRC will begin to direct complementary credits to the new (incoming) MAC as of the cutover date. The IMAC

must return the completed form to the BCRC at ContractorEFT@ehmedicare.com at least **90 days** prior to cutover.

In order to ensure that the BCRC has the correct information regarding the old and new workload number identifiers used for the COBA process, both the incoming and outgoing MACs shall participate in a teleconference call with CMS and the BCRC at least **30 days** prior to the scheduled cutover date (**Chapter 11.1.8**).

10.7 Post-Cutover

10.7.1 Outstanding Provider Payment Checks

At cutover, the outgoing MAC must provide the incoming MAC with a final listing of outstanding checks, stale dated checks, and a voided check register. The incoming and outgoing MACs will need to coordinate procedures for handling stop payments, voided checks, and the reissuance of old outstanding checks. The outgoing MAC'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 MAC's Medicare bank account to be closed, the incoming MAC will be responsible for issuing a letter to all providers/beneficiaries with outstanding checks issued by the former MAC. 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 incoming MAC must have the capability of receiving two bank clears files per cycle—one from the outgoing MAC's account and one from the incoming MAC's account. The incoming and outgoing MACs and the VDC will need to work together to establish procedures to ensure that the incoming MAC receives updated information for the outstanding checks that were transferred. This information can come directly from the bank or from the former MAC. The Part B MCS system has the ability to take in a "family" of clears files, but the outgoing MAC's file will need to have a different name than that which is received from the incoming 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.

10.7.2 Cash Receipts/Cash Refunds

The incoming MAC, the outgoing MAC, 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 former MAC after cutover. Since the former MAC will no longer have responsibility for the account receivable or claim history, it must coordinate with the current (incoming) MAC regarding the misdirected cash receipt/refund so that the current 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 former MAC will deposit funds received into its Medicare bank account and subsequently issue a check to the current 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 current and former MACs.

However, when the outgoing MAC will no longer have any involvement in the Medicare program (i.e., it will not be continuing as a MAC for another jurisdiction) or its lock boxes will be closed at the bank, it may be determined that the OMAC or the bank will forward misdirected cash receipts/refunds to the incoming 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 current MAC's bank not accept the check without endorsement.

A Collection Reconciliation Acknowledgement Form (CRAF) shall be completed for all misdirected cash receipts/refunds. The CRAF may be accompanied by a reissued check to the current MAC, the original check, or it may be informational only. Regardless of how the misdirected cash receipt is transferred to the current MAC (check or non-cash transfer), a CRAF is required so that adequate controls are maintained to safeguard assets and ensure proper financial reporting.

10.8 IRS Form 1099 Responsibilities

The outgoing MAC 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/electronic reporting statement for the providers. These items shall be released on the OMAC's normal 1099 reporting cycle. During the transition, as part of their overall communication efforts, the incoming and outgoing MACs must remind providers that they will receive two 1099s for the year—one from the former (outgoing) MAC and one from the current (incoming) MAC (unless cutover occurs at the end of the calendar year and the incoming MAC made no payments in that year).

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

If there is a question regarding the 1099 that will require a correction to the form, the current MAC shall forward the question to the former MAC along with the appropriate provider information so that the former MAC can correct the discrepancy. The current and former MACs must enter into a Memorandum of Understanding (MOU) that details

the procedures for providing the necessary information that will enable the former MAC to make the corrections.

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

Chapter 11: INCOMING MAC: MEETING AND DOCUMENTATION REQUIREMENTS

11.1 Meetings

This chapter discusses a variety of meetings that the incoming MAC will conduct or attend throughout the transition period. These meetings will help ensure that all participants 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.

Unless otherwise noted, the incoming MAC is responsible for conducting the following meetings during the transition. For these meetings, the incoming MAC shall organize, host, obtain facilities (if applicable), provide toll-free teleconference lines, and prepare and distribute agendas and meeting minutes.

Exhibit 6, MAC Workload Transition Meeting and Documentation Guide, provides a useful reference in chart form of the following meeting information.

11.1.1 Post-Award Orientation Conference

The incoming MAC Contracting Officer (ICO) 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 IMAC's final proposal submission. Meeting logistics, agenda, and any documentation are the responsibility of the Contracting Officer. The conference may be a separate meeting or held as part of the incoming MAC pre-meeting (**Chapter 11.1.2**) during the jurisdiction kickoff. Also see **Chapter 4.7.5**.

11.1.2 Incoming MAC Pre-Meeting

A pre-meeting will be conducted by CMS with the incoming MAC prior to the jurisdiction kickoff meeting described in **Chapter 11.1.3** following. The incoming MAC pre-meeting will discuss topics that pertain exclusively or primarily to the IMAC such as the 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 incoming MAC; however, the MAC will be responsible for the meeting arrangements as part of the overall jurisdiction kickoff. The incoming MAC Contracting Officer's post-award orientation conference may be held as part of the pre-meeting. Also see **Chapter 4.7.2**.

11.1.3 Jurisdiction Kickoff Meeting

The jurisdiction kickoff meeting is a one-time meeting, hosted by the incoming 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 incoming 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 or the effective date of the contract. See **Chapter 4.7.4** for a detailed discussion of the jurisdiction kickoff meeting.

11.1.4 Segment Kickoff Meeting

When a jurisdiction consolidation occurs (e.g., Jurisdictions 5 and 6 combined to form Jurisdiction G), each of the two claims processing workloads to be consolidated will be identified as a "segment" from a project management standpoint. There will be two segment kickoff meetings, one for each of the outgoing MACs. Normally, a jurisdiction consolidation is the only time that there will be segment kickoffs.

It should be noted that if the incoming MAC is the incumbent MAC for one of the jurisdictions to be consolidated, the contract transition activities (**Chapter 18, Contract Transition**) to be performed for that jurisdiction as part of the consolidation will normally be considered a "segment" and the Jurisdiction Implementation Project Plan (JIPP) and Segment Implementation Project Plan (SIPP) will be structured accordingly.

The segment kickoff meeting will represent the formal start of the process of moving an outgoing MAC's workload to the incoming MAC. It is similar to the jurisdiction kickoff meeting in concept, but is focused on the activities surrounding an individual segment transition. 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 meeting logistics. CMS will work with the MAC to develop an agenda. See **Chapter 4.7.6** for additional details.

11.1.5 Weekly Management Update Meeting

After the jurisdiction kickoff, the CMS Implementation Lead may ask the IMAC's Implementation Project Manager to establish a weekly touch base or informational meeting at a mutually agreeable time. This meeting is intended to be more informal than the weekly MAC project status meeting (**Chapter 11.1.6**) and will have a limited number of participants. Some Implementation Leads set up one-on-one meetings with the Implementation Project Manager; however, most of the management update meetings consist of a small number of IMAC staff (Implementation Project Manager, MAC Project Director, one or two key

operational staff) and CMS personnel (Implementation Lead, incoming COR, and/or a Contract Administrative Team member. The meeting will normally be an hour or less.

The purpose of the meeting is to answer CMS questions that have come up, get updates on issues or problems, and go into more detail about certain tasks. If there is some process or activity that is unclear, an explanation may be requested. Reports or documentation could need further explanation and issues with workload, staffing, or communications may be discussed. The meeting will help participants to be more open and frank than in other venues and can provide a forum to discuss issues that might not be appropriate for the MAC project status meeting. The incoming MAC will also be able to discuss any updates, issues or concerns that it may have regarding its activities or those of the other participants in the transition.

11.1.6 Project Status Meeting

A weekly project status meeting will be held by the incoming MAC to provide an update on the progress of the transition. It is intended for all parties involved in the project: incoming MAC project manager and workgroup leads, CMS, outgoing MAC project manager and closeout team, VDC(s), shared system maintainers (SSM), and functional contractors such as HIGLAS, CWF, ZPIC/PSC, QIC, NSC (DME), PDAC (DME), etc. The parties will review the major tasks of the incoming MAC's implementation, using the IMAC's Implementation Project Status Report as the basis (**Chapter 11.2. 5**) 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 outgoing MAC's related closeout activities will also be reviewed, along with the relevant activities of the other parties involved in the transition.

The status meetings are generally held by conference call, although meetings could be held in person if warranted. The incoming 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. If there is a jurisdiction consolidation where the incoming MAC is not the incumbent for at least one of the jurisdictions, CMS may determine that there will be separate project status meetings for each segment.

11.1.7 Transition Workgroup Meetings

Transition workgroups are established to facilitate the process of transferring the outgoing MAC's Medicare workload to the incoming MAC. Both MACs must agree on the number of workgroups to be established and the specific responsibilities of each. The transition workgroup heads will be responsible for conducting weekly workgroup meetings. The meetings will be used to review the transition activities applicable to the workgroup's function, track deliverables, and monitor action item resolution. Problems or issues will also 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 4.8**.

11.1.8 BCRC Coordination Meeting

The incoming MAC must meet with the Benefits Coordination and Recovery Center (BCRC) during the implementation to discuss Medicare secondary payer (MSP) issues and crossover claims. The BCRC and IMAC must coordinate activities to ensure that the complementary credit process will take place without a problem and that proper BCRC payments are directed to the incoming MAC. As such, the incoming and outgoing MACs shall participate in a teleconference with CMS and the BCRC at least **30 days** prior to the scheduled cutover date. The purpose of the meeting is to ensure that all parties have an understanding of their responsibilities at cutover and have the correct information needed as it relates to the old and new workload number identifiers used for the Coordination of Benefits Agreement. See **Chapter 10.6** for additional information.

11.1.9 "Go/No-Go" Call

A "go/no-go" teleconference with transition participants will normally be held **7-14 days** prior to the cutover. The meeting will determine if all participants are in agreement that there are no outstanding issues that would prevent the initiation of the final cutover activities that will culminate with the IMAC contractually assuming responsibility for all Medicare claims processing functions. The incoming MAC will coordinate with the Implementation Lead regarding the date and time of the meeting. The IMAC 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.

11.1.10 Cutover Meeting

Approximately two weeks before the cutover, daily cutover calls will begin with the incoming and outgoing MACs, CMS, the VDC(s), HIGLAS, CWF, SSM, and other parties directly involved in the actual cutover. The meetings will review the cutover plan and activities scheduled for that day and resolve any outstanding issues. Additional daily meetings may be added during the several days surrounding the actual cutover. These meetings should continue to be held after cutover until all outstanding issues are resolved. See **Chapter 15.4** for additional information.

11.1.11 Post-Project Review Meeting (Lessons Learned)

The incoming MAC will conduct a post-project review meeting after cutover. This meeting will be via teleconference unless CMS believes that it should be a face-to-face meeting. All key participants (incoming and outgoing MACs, VDCs, 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 transition and those that need improvement, along with suggested remedies. Attendees will discuss the lessons learned that were submitted by transition participants and compiled by the IMAC (**Chapter 16.4**). The meeting will take place approximately **4-6 weeks** after the cutover. The incoming MAC

will have the responsibility to organize the meeting and provide teleconference access. Also see **Chapter 16.5**.

11.2 Documentation

CMS will closely monitor the incoming MAC during the transition to ensure that cutover occurs on schedule and that all Medicare data, files, and operations have been properly transferred. In addition to specific documents discussed in other chapters, CMS requires that the IMAC submit the following documents during the workload implementation. Some of the documents may also be contract deliverables (**Chapter 5.10.2**) as defined in the incoming MAC's statement of work (Section C) or in Section F of the MAC contract schedule.

CMS has prepared a comprehensive guide to the implementation and closeout documentation required during a transition. The **Workload Transition Meeting and Documentation Guide** is found in **Exhibit 6**.

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 the outgoing MAC. A draft JIPP will be developed using the information/dates provided in the Request for Proposals (RFP) and will be submitted as prescribed in the RFP or directed by the COR. Changes that occur after the incoming MAC has submitted its draft JIPP and changes that are necessitated as the result of the IMAC's contractor assessment/due diligence will need to be incorporated into the JIPP. A baseline JIPP shall be submitted within **30 days** after the jurisdiction kickoff meeting. This document must be approved by CMS and will be the basis for monitoring the IMAC's implementation. The JIPP is a dynamic document and will be modified as events occur during the transition. The incoming MAC must ensure that CMS is notified of any changes made to the JIPP. See **Chapters 5.2.1** and **5.2.2** for additional detail on JIPP data requirements, structure, and content.

11.2.2 Jurisdiction Implementation Project Plan Update

The JIPP will be updated on a weekly basis. The update will be included with the Implementation Project Status Report (**Chapter 11.2.5**) and submitted at least **two days** prior to the project status meeting (**Chapter 11.1.6**). 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, the IMAC should 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

Normally, a Segment Implementation Project Plan (SIPP) will be developed only when there is a jurisdiction consolidation (e.g., Jurisdictions 5 and 6 being consolidated into Jurisdiction G). Each of the two claims processing workloads to be consolidated will be identified as a "segment" from a project management standpoint. In this situation the IMAC will develop two SIPPs, one for each MAC jurisdiction that is being consolidated into the new jurisdiction.

The SIPP provides a detailed list of the major tasks and subtasks required to move an outgoing MAC's jurisdiction workload into the consolidated jurisdiction of the incoming MAC. It should be developed in accordance with the instructions in **Chapter 5.2** and must be synchronized with the JIPP. The IMAC may have a draft SIPP developed for review at the each segment kickoff meeting (**Chapter 11.1.4**). Changes that occur after the incoming MAC has submitted a draft SIPP and changes that are necessitated as the result of the IMAC's contractor assessment/due diligence will need to be incorporated into the SIPP. A baseline SIPP shall be submitted no later than **30 days** after each segment kickoff meeting. CMS must approve each 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. See **Chapters 5.2.2** and **5.2.3** for additional detail on SIPP data requirements, structure, and content.

11.2.4 Segment Implementation Project Plan Update

The SIPP will be updated on a weekly basis. The update will be included with the Implementation Project Status Report (**Chapter 11.2.5**) and submitted at least **two days** prior to the project status meeting (**Chapter 11.1.6**). 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 SIPP. When submitting an updated SIPP, the IMAC should 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.

11.2.5 Implementation Project Status Report

The Implementation Project Status Report is prepared weekly and provides all participants in the transition with a narrative update of the incoming MAC's implementation activities. The report shall be written using CMS's standardized transition report format as discussed below.

While a MAC's Jurisdiction Implementation Project Plan is structured in accordance with how it will conduct the tasks necessary for establishing its Medicare operations and transferring the outgoing MAC's workload, information in the Implementation Project

Status Report **must** be reported using CMS's standardized transition report format. The format is the common thread for all participants throughout the transition when reporting the status of the project. It is used by the incoming and outgoing MACs and internally by CMS. It will also be the format for reporting lessons learned (**Chapter 16.4)**.

The standard transition report format consists of seven transition work elements. Implementation status and information for the week will be reported under the appropriate element. Information will be displayed in bullet or narrative format using the following work elements:

- **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, deliverables, managing costs, managing risk, and other information/tasks that are not specific to the other elements.

- **Communications**

Activities include communicating with providers, beneficiaries, medical/specialty groups, trading partners, and all other participants/ stakeholders regarding the change in Medicare Administrative Contractors

- **Claims Processing/Operations**

This element involves activities associated with preparing/maintaining the **business environment**. Tasks include preparing the operational structure, due diligence, functional area assessments, deliverables, and interaction with other organizations involved in the transition.

- **Systems/EDI**

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

- **Resources/Infrastructure**

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

- **Financial**

This element includes banking arrangements, accounts receivable review, complementary credit actions, cost reporting, and 1099 activities.

- **Cutover/Workload Transfer**

  This area includes file preparation, on-site and off-site storage, file transfer plan, 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;
  A deliverables list will be maintained by the IMAC and submitted with the Implementation Project Status Report. However, key deliverables received, past due, added, or removed should be discussed. This information may be combined in the Project Management element or listed under each individual element.
- Issues/action items;
  A master issues log should be maintained but the actual issues should be discussed within the appropriate section. Problem resolution and risk mitigation/ contingencies should also be included in the report, if applicable.
- Tasks overdue or not started as scheduled;
  This can be either a narrative list within the appropriate section, an extract of the JIPP (late task report), or the tasks in the JIPP can be highlighted in red or some other unique color. The MAC must discuss the reason for 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 at least **two days** prior to the weekly project status meeting (**Chapter 11.1.6**) and is distributed to CMS and all organizations directly involved 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 **two days** of the meeting to all members of the workgroup, other workgroup heads, the incoming MAC Implementation Project Manager, and the CMS Implementation Lead.

11.2.7 Issues Log/Action Items

Throughout the implementation, each workgroup will prepare an issues log/action items list to assist with its transition activities. The incoming MAC Implementation Project Manager should prepare a "master" issues log/action items document that will be a compilation of all of the various workgroup 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 Implementation Project Status Report (**Chapter 11.2.5**).

11.2.8 Test Plan

The incoming MAC must develop and maintain a comprehensive test plan for its workload implementation. The plan will provide a detailed narrative describing the activities necessary to test the IMAC's processing environment and operational readiness. For an implementation involving a jurisdiction consolidation, a test plan will be developed for each jurisdiction.

The test plan should encompass the scope and approach, roles and responsibilities of the various entities involved, the types of tests, resources, schedules and risks. A draft jurisdiction test plan should be developed within **30 days** of the jurisdiction kickoff or as directed by the Implementation Lead. After the incoming MAC completes its due diligence and has had discussions with the involved participants, a final comprehensive test plan will be submitted to CMS for review and approval, the date of which will be determined by the Implementation Lead. See **Chapter 9.2** for additional information on test plans.

11.2.9 Test Plan Update

The 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 IMAC's Implementation Project Status Report (**Chapter 11.2.5**).

11.2.10 Communication Plan

The incoming MAC will describe its overall jurisdiction communication activities in the Jurisdiction Implementation Project Plan (JIPP) and is responsible for developing a detailed plan as it obtains additional information during the implementation. The plan will discuss the processes and procedures that the incoming MAC will use to ensure that all stakeholders are

informed of the status of the implementation and its impact upon them. It should identify the various stakeholders, the type of communication, frequency, proposed dates, etc.

The IMAC will submit a draft baseline communication plan as soon as possible, but no later than **30 days** after the kickoff meeting, unless otherwise required by the MAC contract statement of work or as directed by the COR. For implementations involving a jurisdiction consolidation, the baseline for the remaining segment should be submitted within 30 days after the remaining segment kickoff. See **Chapter 8.2**. for additional information on the scope and content of the communication plan.

11.2.11 Communication Plan Update

The communication plan will be updated weekly. The update will show completed activities 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 (**Chapter 11.2.5**).

11.2.12 Risk Management Plan

The incoming 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 MAC and the incoming MAC's assessment/due diligence, the plan should be finalized within **30 days** after the jurisdiction kickoff. This will allow time for the IMAC to obtain information from the outgoing MAC and complete at least some of its assessment/due diligence. This "baseline" plan must be submitted to CMS for review and will be used to monitor the IMAC's risk management activities. For implementations involving a jurisdiction consolidation, any segment-specific risks must be incorporated into the risk management plan within 30 days of the segment kickoff meeting. See **Chapter 17.2** for additional risk management information.

11.2.13 Risk Management Plan Update

The risk management plan should be assessed at least on a **biweekly** basis and updated as appropriate. The update should identify any new risks along with an explanation of the changes. It should also describe the implementation of new risk responses, including mitigation strategies and contingency plans. An updated plan should be submitted with the Implementation Project Status Report (**Chapter 11.2.5**).

11.2.14 EDI Progress Report

For Part A/Part B MAC implementations, the incoming MAC will prepare a weekly EDI Progress Report which will show the status of provider and trading partner EDI activities.

DME MACs will not need to prepare this report since there will be no front end change; all suppliers use the Common Electronic Data Interchange (CEDI) front end application.

The report should include numbers and percentages for such information as: base number of submitters; submitter documentation received; test/production setup; submitters in test and production; claim volumes in test/production, and completion. The report should also show any Direct Data Entry (DDE) provider information such as registrations received, security forms returned, and testing status.

Normally the report will be included in the IMAC's Implementation Project Status Report (**Chapter 11.2.5**); however, CMS may request that a separate report be submitted. When the cutover period begins, the MAC should provide the EDI progress on a daily basis, with the information included in the daily cutover meeting.

11.2.15 Employment Report

During the implementation, an employment report will be submitted to CMS on a weekly/biweekly basis depending on direction from the Implementation Lead. The information may be included in the weekly Implementation Project Status Report (**Chapter 11.2.5**) instead of separate report. CMS will use this report to compare it with the staff listed in the IMAC's proposal in order to verify the acquisition and training of the proposed staff. The report should cover hiring activity broken out by operational location(s) and functional area. At a minimum, it should show the following: total anticipated staff to be hired; anticipated/actual dates of hire; total staff that has been hired to date; and the number of employees that were hired for the reporting period. There should be a notation for employees that were hired from the outgoing MAC. The report may also provide any general information regarding hiring activities that took place.

In addition, CMS may ask that information on training that is underway or upcoming be included in the report. Information such as the type of training, functional area(s), start/stop dates, number of staff, and employee status (current employees/new hires/temporaries) would be included in the report.

11.2.16 File Transfer Plan

After the outgoing MAC has prepared its draft file inventory, the incoming MAC will develop a working draft of the file transfer plan that will be shared with the outgoing MAC for review and input. The plan will then be jointly refined. 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 jointly finalized when the outgoing MAC prepares its final file inventory during the cutover period. See **Chapter 7.7**, **Chapter 15.11.2**, and **Exhibit 8, File and Record Transfer Plan Contents** for additional information.

11.2.17 Cutover Plan

The incoming MAC will be required to submit a cutover plan for the workload that will be transferred. When there will be separate Part A and Part B cutover dates, the IMAC will prepare two separate cutover plans. The plan will contain very detailed and specific day-by-day information showing the tasks to be performed by the incoming and outgoing MACs, as well as other participants in the transition. It will provide a checklist of systems and operational tasks, sometimes to the hourly level, for cutover personnel to follow.

The incoming MAC has the overall responsibility for preparing the cutover plan. However, it must be developed jointly with the outgoing MAC, along with input from CMS, the VDC, HIGLAS, the ZPIC/PSC, QIC, BCRC, and any other entity that will be playing a significant role in the actual transfer of the workload. The plan should be submitted to CMS for review at least **45 days** prior to the 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. For additional information see **Chapter 15.3**.

11.2.18 Cutover Reminder

Prior to cutover, the incoming MAC shall send an email message to appropriate CMS components and all interface contractors (NGD, NPI, CERT, CWF, PECOS, HIGLAS, BCRC, etc.) reminding them of the upcoming cutover. The message should identify the workload that will be moving to the incoming MAC (i.e., Part A, Part B, DME), provide the effective date, and reference the specific Change Request that was issued containing the new jurisdiction workload numbers and other transition information (**Chapter 5.8**). It should also emphasize that any changes to their systems or operations must be in place by the incoming MAC's operational start date.

The notice should be sent **30 days** prior to the cutover with a follow up **one week** prior to the cutover. The message should request confirmation of receipt and acknowledgement that the organization is aware of the pending cutover and has taken or will take the necessary actions to test /support the cutover activity within its component.

The VDC will normally send the notifications, but if it does not, the incoming MAC will be responsible for sending them. The IMAC and VDC need to be in agreement as to who will send the notices and the Implementation Lead will verify that they are sent. The reminder should be sent to the affected organizations listed on the IMAC's transition contact/distribution list and those listed in **Exhibit 11, Cutover Points of Contact for Peripheral System/Interfaces**.

11.2.19 Cutover Update

The incoming MAC Implementation Project Manager should provide a cutover update of the activities that have taken place each day of the actual cutover beginning with the outgoing MAC's last day of operations and final runs. The update will be a short paragraph or bullet points highlighting the key implementation tasks completed. It should also discuss any

problems that have arisen and their resolution. The IMAC will normally prepare the update after the last cutover teleconference scheduled for the day. The IMAC will continue to provide updates into the operational period until notified by the Implementation Lead, which will normally happen after the first provider payments have been made and after any major implementation issue that may occur has been resolved.

11.2.20 Post-Cutover Workload Report

After the cutover, CMS needs to ensure there is no degradation of performance to the provider/beneficiary community. Therefore, the incoming MAC shall provide a daily workload report for at least two weeks after the 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 begin weekly reporting. Daily/weekly reporting will continue for three months after the cutover unless otherwise directed by CMS. The incoming MAC will work with the Implementation Lead to determine the specific workload information to be submitted.

Exhibit 12, Incoming MAC Post-Cutover Workload Reporting Categories and Data Elements reflects the workload categories and the minimum workload data elements that CMS will require. The incoming MAC may use an existing report if it contains all of the required information. The report will provide information on all claims received, claims pending, 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 IMAC during the post-cutover period.

When submitting post cutover workload reports to CMS, the MAC should to provide an explanation for unusual circumstances which typically generate questions (e.g., negative inventories, high pending levels, low processed levels, etc.). This helps CMS with the interpretation of the data and avoids follow up questions.

11.2.21 Lessons Learned

After the jurisdiction or segment cutover, the incoming MAC will prepare a lessons learned document regarding its activities during the project. 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 IMAC 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 (**Chapter 11.1.11**). The document should be submitted to CMS **4-6 weeks** after cutover. Also see **Chapter 16.4**.

CLOSEOUT ACTIVITIES SPECIFIC TO THE OUTGOING MEDICARE ADMINSTRATIVE CONTRACTOR

The following Chapters 12-14 contain specific closeout activities and requirements for the outgoing Medicare Administrative Contractor:

CHAPTER 12: Outgoing MAC: Closeout Activities and Interaction with the Incoming MAC

CHAPTER 13: Outgoing MAC: Financial Processes

CHAPTER 14: Outgoing MAC: Meetings and Documentation

In a similar manner, the preceding Chapters 5-11 contain specific implementation information and activities for the incoming Medicare Administrative Contractor.

Chapter 12: OUTGOING MAC: CLOSEOUT ACTIVITIES AND INTERACTION WITH INCOMING MAC

This chapter will provide general information and guidance regarding the management of the outgoing MAC's closeout activities. It will emphasize a number of items that the outgoing MAC should consider and will provide the framework for interacting with the incoming MAC and successfully moving the Medicare workload.

12.1 Closeout Approach

After the award of the new MAC contract, the outgoing MAC will meet with its Contracting Officer and Contracting Officer's Representative to begin planning for the upcoming transition. The OMAC must assess its Medicare operation from a new perspective: closing down operations and transferring Medicare files and records to the incoming MAC. An acceptable level of performance in day-to-day operations must be maintained and there must be cooperation with the incoming MAC's requests for information and deliverables. The OMAC will also have to deal with operating in an environment where there may be less motivation and accelerated departure of staff.

The key objectives in the closeout period are: 1) maintenance of claims processing standards and quality control safeguards throughout the transition, and 2) cooperation to the maximum practical extent with the incoming MAC and other components to transfer the jurisdiction Medicare data and functions as scheduled. The OMAC will need to develop a plan for retention of staff and the risks/contingencies for loss of resources prior to cutover. Processing goals, workload levels and standards, redirected resources or activities will also need to be analyzed. Consideration may be given to moving certain functions to the incoming MAC earlier than originally planned if there is a critical lack of staff in a certain area. Additionally, any award fee plan or incentive for claims processing productivity, accuracy levels, or other activity must be discussed with CMS.

The closeout approach that is formulated through meetings and discussion with CMS, the incoming MAC, and other involves parties will be formally incorporated into the MAC's Closeout Project Plan and Risk Management Plan (**Chapters 12.3** and **Chapter 13.4**).

12.2 Closeout Project Team

The outgoing MAC shall form a project team that will be responsible for closeout activities (**Chapter 4.6.2**). The team will work directly with the incoming MAC to transfer Medicare operations and take the necessary steps to close out the OMAC's contract. Changes to the team may be necessary after jurisdiction kickoff discussions and subsequent agreement on the number of workgroups and their responsibilities. Once the team has been finalized, the organization chart and contact list should be submitted to

CMS and the incoming MAC. It may be helpful for the project team to meet internally on a weekly basis to discuss issues and update the project plan, in addition to the regular weekly project status meetings.

12.3 Closeout Project Plan

The outgoing MAC will be responsible for developing and maintaining a Closeout Project Plan (CPP). The CPP will reflect the outgoing MAC's approach to closing out its Medicare operation and reaching any agreed-upon workload goals. It must show the detailed tasks and timeframes reflecting the activities necessary to provide all Medicare information, records, and files to the incoming MAC and to maintain operational performance during the closeout. The plan must include the tasks associated with personnel and infrastructure, as well as those for the closeout of benefit payments and corresponding financial reporting. CMS does not mandate any particular method or software to be used in managing the closeout; it does, however, require that project plans, reports, and materials are readable using Microsoft Project, Excel, Word, or Adobe.

The outgoing MAC must develop an initial CPP and submit it to CMS and the incoming MAC within **15 days** of the kickoff meeting. This will be the "baseline" plan for the outgoing MAC's closeout activities and will be used by the outgoing MAC and CMS to monitor the overall progress of the project. The tasks and the level of detail of the CPP will vary depending on a number of factors associated with the closeout. The plan should show a Work Breakdown Structure (WBS) to the level commensurate with the extent of the activity, the task category, and the amount of detail the outgoing MAC (or CMS) finds necessary in order to properly monitor the project.

The CCP 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;
- Variance;
- Responsible Party; and
- Comments

CMS understands that the CPP is a dynamic document that may change throughout the life of the project. Additional tasks may need to be added and others may need to be modified or deleted if they are no longer applicable. Timeframes may also need to be revised to correlate to any transition schedule changes. During the closeout, CMS expects the outgoing and incoming MACs to continually refine and coordinate their respective project plans. Any changes to the CPP must be communicated to CMS.

The OMAC's Closeout Project Plan must be updated on a weekly basis with an accompanying 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 CPP.

The incoming MAC will need information from the OMAC in order to complete the development of its JIPP. **It is critical that the outgoing and incoming MACs coordinate their project plans and schedules to ensure that all transition tasks are covered, responsibility is acknowledged, and that there are no date or task schedule conflicts.** CMS expects the outgoing MAC to work with the incoming MAC to insure that any information necessary to baseline the IMAC's Jurisdiction Implementation Project Plan (JIPP) is provided timely.

12.4 Risk Management

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 the change in MAC contractors. The outgoing MAC's risk management will involve the systematic process of identifying, analyzing and responding to risks pertaining to its workload closeout. The OMAC must look at its closeout activities 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. CMS will pay particularly close attention to the outgoing MAC's risk areas involving personnel, workload inventory, file transfer, and cutover. See **Chapter 17, Risk Management** for additional information.

12.5 Baseline Workload

At the start of closeout activities the outgoing MAC shall provide monthly jurisdiction workload data for the **12-month** period prior to the jurisdiction kickoff. The information will be used as a baseline by the incoming MAC to monitor workload from various operational areas so that it can gauge staffing activities and the possible early movement of certain workloads. The baseline information is due within **15 days** of the kickoff meeting; it will be sent to CMS and the incoming MAC Implementation Project Manager. See **Exhibit 4, Sample Baseline Workload Templates**.

In addition, from the jurisdiction kickoff to the actual cutover the outgoing MAC will submit weekly workload reports (**Chapter 14.2.8**). The purpose of the reports is to help determine if there are issues with the outgoing MAC's operations that may affect the incoming MAC's implementation or operations after cutover. The weekly reports will be consolidated on a monthly basis and added as a cumulative update to the baseline data, with monthly totals shown against estimated monthly workload goals.

CMS will analyze the baseline and weekly production data for trends, spikes, and major discrepancies between the outgoing MAC's actual workload and anticipated workload projections. If there are concerns about any functional area, the COR and/or CL will have discussions with the OMAC to determine the need for any corrective action.

12.6 Personnel Actions

Outgoing MAC employees must continue to perform their jobs throughout the transition and maintain production levels. It is incumbent upon the outgoing MAC to make every effort to keep existing employees and maintain their productivity. Rumors can run rampant during a transition, especially after the announcement of the MAC award. They can affect the work environment in numerous ways and can affect efforts to retain personnel—the longer uncertainty exists, the more attractive alternate employment becomes. It is important for the outgoing MAC to provide factual and timely information to employees throughout the closeout period.

If employees have knowledge that they will remain with the company or that the incoming MAC will be extending offers of employment, it will greatly facilitate the transition process and alleviate fears regarding the future; however, that will not always be the case. Even if employees are facing separation, knowledge of employee benefits and any special incentives can help keep operations running smoothly. It is important for the outgoing MAC to provide open forums for discussion and to alleviate fears regarding employees' futures. There should be an established process for written and verbal communications regarding transition issues in order to provide ongoing information to employees. A number of outgoing MACs have also found it helpful to have a transition hotline or special section on their websites dedicated to transition information.

12.6.1 Employment Within the Company

Management will need to ascertain corporate intentions for its MAC employees at the end of its contract. Management will determine if jobs in other areas of the company will be offered to MAC employees, and if so, how many and in what areas. This information should be provided to employees as soon as possible. If personnel will be offered other positions within the company, CMS expects that the MAC will make every effort to keep its employees in place until cutover or negotiate a mutually agreeable plan with the other corporate component(s) if employees are to be transferred prior to cutover.

12.6.2 Incoming MAC Employment

If the incoming MAC is proposing to hire outgoing MAC employees, IMAC management staff will contact the outgoing MAC to discuss its proposal regarding how many positions may be offered, the location(s) of jobs, and specific individuals of interest. Steps should be taken to provide as much information as soon as possible to employees after the details of the incoming MAC's employment proposal have been obtained. As soon as possible, the OMAC should hold a meeting with affected employees to communicate the commitment of both organizations, allay fears, and provide information regarding the transition and future employment. The incoming MAC may also wish to have a face-to-face meeting with potential employees to discuss its organization, benefits, and the types of jobs that will be available. If the IMAC is proposing to hire a substantial number of outgoing MAC employees, it may request that a

human resources representative be able to visit on site at various times to address employee concerns and provide detailed information regarding benefits and employment.

The outgoing MAC should work with the incoming MAC to establish communication procedures for the employees it is proposing to hire. Protocols for contacting staff, obtaining approval and release of employee information, and how job postings can be made available to employees will need to be agreed upon. The incoming MAC will need specific employee information such as names and addresses of employees, dates of service, job titles, job grades, job descriptions, current salaries, review dates, etc., and documentation of current employee benefits. Obtaining certain personal information will require permission from the employee.

A mutually agreed upon plan or calendar for when employees will actually transfer to the incoming MAC's employment will need to be developed. The plan must ensure that there is no degradation of service at the outgoing MAC's site due to the hiring schedule. CMS expects that the incoming MAC will not hire any of the outgoing MAC's staff to perform work for the incoming MAC prior to cutover unless it has been agreed to by the outgoing MAC and CMS.

12.6.3 Employee Termination

The outgoing MAC will need to develop a strategy for: 1) retaining employees that will not be hired by the incoming MAC and will lose employment after the contract ends; and 2) maintaining the productivity of those employees. The strategy should be based upon CMS policy and applicable regulations, internal company guidelines, and how similar situations were handled in prior workload transitions.

The outgoing MAC will need to enter into discussions with its Contracting Officer and Contracting Officer's Representative when developing its strategy. Agreement must be reached with CMS regarding any benefit package or financial arrangement that will be offered to employees. Employees should be informed as soon as possible about the provisions of any plan that the company will provide to severed employees.

The outgoing MAC may utilize or develop an employee counseling program to provide guidance on such topics as severance pay, benefit expiration, benefit conversion (if appropriate), vested employees retirement rights, unemployment compensation, and any other entitlements. It may also make job placement services available to assist employees with employment opportunities within other areas of the company or in the local area. It should be noted that job placement services are <u>not</u> an allowable expense under the CMS contract.

12.7 Internal Communications

It is important that the outgoing MAC keep its employees informed about the progress of the transition to the new MAC, as well as personnel issues that will be affecting them; e.g., employment opportunities within the organization, severance, outplacement, etc. This should be accomplished through regularly scheduled staff meetings and employee bulletins or newsletters. If the outgoing MAC's staff is going to be hired by the incoming

MAC, updates and information regarding the IMAC's implementation activities will be provided to the outgoing MAC. The incoming MAC may also have a human resources person and/or management staff available to answer employment questions and to provide general information on the progress of the implementation.

12.8 Interaction with the Incoming MAC

Communication and cooperation with the incoming MAC is essential to the success of the transition. A Medicare workload 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 seamless transition. In order to accomplish this goal there must be communication at all levels. The outgoing MAC must work closely with the incoming MAC in a professional and cooperative manner in order to coordinate activities, monitor workload and staffing changes, and successfully transfer the Medicare workload. The meeting and reporting requirements detailed in **Chapter 14.1** and **Chapter 14.2** provide a framework for these activities.

CMS and the incoming MAC understand that the transition may be very stressful for the outgoing MAC's organization and employees. CMS will closely monitor the communication and cooperation efforts of both the OMAC and IMAC during the project. If the outgoing MAC believes that there is an issue with its relationship with the incoming MAC, it must discuss the problem with its Contracting Officer and Contracting Officer's Representative.

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

12.9 Incoming MAC On-Site Presence

The incoming MAC may request to visit the outgoing MAC's operational site, especially during the IMAC's due diligence activities (**Chapter 12.14**). IMAC subject matter experts/workgroup heads will want to visit at various times during the transition to gather information on current processes and to analyze operations. Any request for on-site presence will need to be discussed with the outgoing MAC to determine if it is desirable or feasible. The amount of on-site presence requested will be dependent on a number of factors, one of which is the IMAC's proposal to hire the outgoing MAC's staff and/or maintain a presence in the area.

The IMAC will propose how much of an on-site presence it believes is necessary and the timing of such presence. The MACs will negotiate and agree upon the number of visits, the activities to be conducted, any work space necessary, the number of IMAC personnel, and tentative timeframes. The outgoing MAC will also need to discuss its corporate policy/procedures regarding site access and required security measures while the incoming MAC is on site.

On-site access is the sole prerogative of the outgoing MAC. However, CMS believes that the on-site presence of the IMAC at the outgoing MAC's site(s) is beneficial to the transition and **strongly recommends that the OMAC make every effort to accommodate the incoming MAC's request**.

12.10 Access to Information

During the transition, the incoming MAC will be requesting a significant amount of information from the outgoing MAC. The IMAC understands that any request for information must be necessary and relevant to implementing the requirements of its statement of work. The outgoing MAC 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 the successful completion of the transition. The incoming MAC is also aware that it may not receive all of the information and/or documents that it requests, especially those regarding internal operations or processes.

It is critical for the outgoing MAC to fully cooperate with the incoming MAC in its due diligence and requests for information. However, the outgoing MAC's willingness to provide certain types information may be dependent on a number of factors including: whether or not it has other Medicare contracts; if it will be entering into a partnering/ subcontracting relationship with the IMAC; if it will be participating in future MAC procurements; or if it will be leaving the Medicare program altogether. Possible legal action regarding the jurisdiction contract award could also affect the release of information or documents.

Exhibit 3, Requested Information/Documentation from the Outgoing MAC provides a list of some of the information and documents that incoming MACs will normally request from outgoing MACs. The exhibit shows information/documentation that is considered non-proprietary and should be released to the IMAC if requested. It also shows documents that may contain proprietary or business information. Generally, CMS will not require the outgoing MAC to release proprietary/business documents, but under certain circumstances, it may require that a properly redacted version be released. It is important to understand that <u>while an outgoing MAC may consider its internal processing instructions to be proprietary, the OMAC must provide the incoming MAC with the rationale and background data supporting the edits/audits</u>.

The outgoing MAC Contracting Officer's Representative should be contacted if the OMAC believes that the incoming MAC's request for information or access to operations is not warranted, or if the OMAC considers the requested documents to be proprietary in nature.

12.11 Nomenclature

As the transition begins, the outgoing MAC must make sure that the terminology and nomenclature used in its operation is understood by all parties involved in the project. All terms, acronyms, and files need to be well defined and clearly understood. This will

help prevent project delays, duplication of effort, and unanticipated workload being transferred at cutover.

12.12 Deliverables

Prior to the kickoff meeting, the outgoing MAC should begin gathering documents and information regarding providers, operations, EMC, telecommunications, the physical storage of records, electronic file formats, assets, etc. This type of information will be needed by the incoming MAC to conduct its implementation activities and any pre-kickoff efforts will expedite the process.

At the jurisdiction kickoff (**Chapter4.7**), the incoming MAC should be prepared to provide the outgoing MAC with an initial list of information that it believes is necessary for its implementation. This list is known as the "deliverables list" and will be the formal record of information and documents that the IMAC is requesting from the outgoing MAC and other parties involved in the transition. At a minimum, the list 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. There should also be information on the naming convention for deliverable submissions along with the documented process for requesting and submitting deliverables. This will help ensure that the outgoing MAC can begin work immediately following the kickoff meeting. During the transition, the IMAC will continue to refine and add to the deliverables list based on its due diligence/operational assessment and workgroup activities.

Any request for information and/or documents that is developed into a deliverables list will be reviewed to ensure that the items are appropriate and necessary. The incoming MAC must be made aware of the effort that it will take for the outgoing MAC to produce the information or respond to a request. The IMAC must understand that OMAC staff may not be immediately available to gather information and that the process may take longer than anticipated.

The incoming and outgoing MACs must work together to ensure that: 1) both parties understand exactly what is being requested; 2) the information is applicable to the purpose of the request; 3) the outgoing MAC has the resources available to fulfill the request; 4) the request is prioritized as to its importance; and 5) the timeframe for delivery is agreeable to both MACs. The IMAC must also be able to provide rational for the items should there be an issue with a request. It will be important for the outgoing MAC to respond to certain requests as quickly as possible, especially if the information or documents are needed for the incoming MAC's initial operational assessment/due diligence (**Chapter 12.14**).

If the outgoing MAC has concerns or is unwilling to comply with the IMAC's deliverable request, the Implementation and Closeout Leads will work with both parties to determine if the request is absolutely necessary for the IMAC's implementation effort, or if there are alternative ways of obtaining the information without compromising the OMAC's internal operations or processes. If this is unsuccessful, the issue will be discussed with

the outgoing MAC Contracting Officer, who will then need to decide whether or not to direct the outgoing MAC to release the information. Also see **Chapter 12.10**.

Usually, incoming MAC will consolidate the individual workgroup deliverables lists into a jurisdiction master list. The master list will then serve as a complete record of what has been requested and the incoming and outgoing MAC project managers will be able to track the requests to receipt. The list should be updated on a weekly basis and a copy provided to CMS.

The outgoing MAC should be aware that during the transition the incoming MAC may use the term "**deliverable**" in two different manners: 1) a request for a document or information that is the result of the IMAC's due diligence or workgroup activities and is recorded on a deliverables list; or 2) items, data, reports, etc., that the incoming MAC is contractually required to "deliver" to CMS during its period of performance—a "contract deliverable". The outgoing MAC should only become involved with a deliverable request as it relates to the IMAC's due diligence or workgroup activities.

12.13 Asset Inventory

The outgoing MAC will discontinue the acquisition of assets during its closeout unless it is absolutely essential to the success of the transition. As part of its closeout activities, the outgoing MAC must develop a final inventory of its Medicare assets. It must reconcile the inventory with the fixed assets register that it maintains in order to assist CMS with the cost recovery of the assets. The inventory will contain a detailed list of all supplies, furniture, hardware, software, equipment, and other work-related items that were furnished or acquired under the terms of the Medicare contract. Any government furnished property (GFP) or equipment (GFE) should be listed separately and identified as such.

The outgoing MAC is responsible for the disposition of government-furnished property/equipment or property acquired by the MAC using contract funds. The disposition of assets shall be under the direction of the outgoing MAC Contracting Officer and in accordance with the Federal Acquisition Regulation (FAR). The Contracting Officer is the only CMS official who can authorize the disposition of any property. Disposition of the outgoing MAC's Medicare assets may include: sale, transfer, return to the government (GFP/GFE), donation, or destruction.

CMS will provide the outgoing MAC's final inventory to the incoming MAC. This will be done as early in the transition as possible so that the incoming MAC will have time to analyze and negotiate with CMS for the possible acquisition of any assets. The request for the outgoing MAC's asset inventory should be placed on the deliverables list with a mutually acceptable due date.

12.14 Initial Operational Assessment/Due Diligence

12.14.1 General

A key activity for the outgoing MAC during the transition will be providing information about its Medicare operations and business processes to the incoming MAC. This information gathering process by the IMAC will begin as soon as possible after contract award. It is an ongoing activity that continues, to one degree or another, throughout the transition and is known by a number of different names: due diligence, operational assessment, operational analysis, and gap analysis. All functional areas (claims processing, medical review, provider enrollment, audit and reimbursement, Medicare secondary payer, financial, appeals, customer service, etc.) and all business operations and procedures will normally be analyzed. The extent of the analysis will be dependent upon the incoming MAC's statement of work, the nature of the incoming MAC's proposal, what information/documentation the OMAC must provide, and what proprietary and/or business operation information it is willing to provide.

The information obtained will be used by the transition workgroups to: 1) gage the work to be performed; 2) develop their deliverables list and issues log/action item list; and 3) determine the need for any changes to the IMAC's implementation approach or Jurisdiction Implementation Project Plan. The assessment will facilitate the absorption of the workload into the incoming MAC's operational environment, help ensure a smooth transition, and lessen any impact to beneficiaries and providers. After the initial assessment has been completed, the various workgroups will continue to examine outgoing MAC functions and operations throughout the transition period as part of their ongoing workgroup responsibilities.

CMS **strongly recommends** that the incoming MAC make a site visit(s) to the outgoing MAC's operational site(s). A visit should occur as soon as possible following the jurisdiction kickoff. The IMAC will contact the outgoing MAC to discuss the possibility of an on-site visit for the initial assessment, the type of information that it hopes to obtain, and which operational areas it would like to review. Both MACs must reach agreement on such items as dates, times, frequency of visits, number of staff, and availability of on-site working space for the visiting MAC. If the MACs cannot reach agreement, they will meet with their respective Contracting Officer's Representatives to discuss options and try to determine if the two parties can work out some type of arrangement. It is understood, however, that on-site access is the sole prerogative of the outgoing MAC and is not controlled by CMS.

12.14.2 Areas of Focus

The assessment and documentation of the outgoing MAC'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 IMAC's resource requirements. Standard operating procedures will be reviewed, along with quality assurance processes and standards. The IMAC will look for any procedural differences and/or local variations of the claims process.

Workload data and inventory statistics by functional area will be forwarded to the IMAC (**Chapter 12.5**). Productivity rates and production capacity may also be analyzed. The incoming MAC will assess workload in progress and obtain specifics on the amount of Medicare files and records in storage, both on site and at remote locations. Also, the IMAC will determine if there are any special CMS projects, initiatives, or activities that involve the outgoing MAC and the specific timeframes for completion.

The incoming MAC may want to obtain information on the outgoing MAC's performance. The OMAC may provide the requested performance information; however, there may be certain requests that the outgoing MAC denies. However, certain non-proprietary performance, corrective action, and audit findings may be available through CMS if the outgoing MAC declines to provide the information (see **Chapter 12.14.3.6** and **Exhibit 3, Requested Documentation/Information from the Outgoing MAC**).

The outgoing MAC's workload and performance will be monitored throughout the transition period by CMS. Depending on the OMAC's performance and the progress of the transition, the incoming MAC or CMS may propose to move certain functions earlier than scheduled. For example, if the outgoing MAC suffers a severe staff loss among customer service representatives, the IMAC may propose to take the work prior to the established cutover date. Should such a situation arise, CMS will discuss the proposal with all parties involved and reach agreement as to how to proceed.

12.14.3 Specific Assessment Activities

The following are some of the areas or activities that are normally analyzed as part of the incoming MAC's initial assessment/due diligence. A more detailed discussion of the assessment of various functional areas begins with **Chapter 12.16**.

12.14.3.1 Local Coverage Determinations (LCDs)

The outgoing MAC will provide the incoming MAC with all Local Coverage Determinations (LCDs) and retire its LCDs in the Medicare Coverage Database. The incoming MAC will analyze the LCDs to determine their applicability to the IMAC's statement of work and contract. The incoming MAC must use the most clinically appropriate policy currently in place when determining its LCDs and the IMAC has the discretion to involve the provider community in the selection process. The IMAC will also review the active edits in the system related to the LCDs.

The LCDs should be in place at jurisdiction cutover. 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) during a MAC implementation. However, the IMAC must notify the provider community within its jurisdiction which LCDs it has adopted no less than 45 days prior to those policies being implemented.

There should be little activity for DME MACs, since LCDs are the same for all four DME jurisdictions. They may only be created or changed with the approval of all of the DME MAC Medical Directors.

12.14.3.2 Edits

Since every MAC has discretion regarding certain edits in its claims processing systems (local edits), the incoming MAC must analyze the outgoing MAC's existing edits and determine if they meet the requirements of the incoming MAC's SOW and contract. The IMAC should consider operational efficiencies, minimization of disruption to the provider community, and other pertinent factors when determining edits. A single set of edits will include a single defined action for each code. All final edits must be tested prior to their implementation.

The incoming MAC will attempt to keep the outgoing MAC's existing local edits to the extent practicable. If the incoming MAC proposes to change the outgoing MAC's local edits, it must analyze the change to determine if there will be any impact to the provider community. If the incoming MAC believes that an edit should be changed, CMS must be consulted. It is very important that any edit/processing changes are clearly communicated to providers and submitters. The incoming MAC may request the outgoing MAC to assist it with communication to providers regarding any changes.

Certain pre-pay LCD or medical review edits may be turned off by the outgoing MAC as part of developing the stop-work procedures during the cutover process. The outgoing MAC 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.

It is also important to note that while an outgoing MAC may consider its internal processing instructions to be proprietary, the OMAC must provide the incoming MAC with the rationale and background data supporting the edits/audits.

12.14.3.3 Outgoing MAC Workload and Inventory

After the kickoff meeting, the outgoing MAC shall provide monthly jurisdiction workload data for the **12-month** period prior to the jurisdiction kickoff. The incoming MAC will use the information as a baseline to monitor various functional workloads to assist with staffing activities and possible early movement of certain workloads. The baseline information is due within **15 days** of the kickoff meeting. See **Exhibit 4, Sample Baseline Workload Templates** and **Chapter 12.5**.

In addition, from the jurisdiction kickoff to the actual cutover the outgoing MAC will submit a weekly workload report to CMS. The purpose of the report is to help determine if there are issues with the outgoing MAC's operations that may affect the incoming MAC's implementation or operations after cutover. Weekly reports will be consolidated

on a monthly basis and added as a cumulative update to the baseline documentation, with monthly totals shown against estimated monthly workload goals.

Data obtained in the weekly workload reports will include:

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

The workload information will be provided to the incoming MAC along with any outgoing MAC operational issues that arise. If necessary, the IMAC will take appropriate action to modify its implementation activities or risk mitigation/contingency plans.

12.14.3.4 Staffing Levels

The outgoing MAC's staffing levels by functional area will also be monitored. The OMAC will provide a weekly breakout of staff to CMS and the IMAC that shows 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.). Based on workload and staffing reports, it is possible that CMS and the IMAC may decide to move a particular function to the incoming MAC sooner than expected. The project schedule and costs would be modified accordingly.

12.14.3.5 Internal Controls

The incoming MAC will be reviewing internal controls (also known as management controls) since MACs must annually evaluate and report on their control and financial systems for program integrity. The incoming MAC will be looking at controls that ensure that costs comply with applicable law, assets are properly safeguarded, and revenues (e.g., overpayments) and expenditures are properly accounted for.

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

(CPIC). If the outgoing MAC believes that the aforementioned reports contain business/proprietary information and should not be released, it should contact the outgoing MAC Contracting Officer's Representative. See **Chapter 12.10** and **Exhibit 3, Requested Information/ Documentation from the Outgoing MAC**.

12.14.3.6 Performance Evaluation

It is possible that there will be a Corrective Action Plan (CAP), Action Plan, or other type of corrective action in place for nonconforming performance found at the outgoing MAC's operation as a result of a Quality Assurance Surveillance Program (QASP) or other type of CMS/government review (e.g., CFO, A-123, SAS-70, OIG audit). If so, the disposition of any corrective action will depend upon several factors, such as the incoming MAC's contract requirements and the relationship that the incoming MAC will have with the outgoing MAC or its staff after cutover, and if the incoming MAC is an existing Medicare claims processor.

If the outgoing MAC will have a contractual relationship with the incoming MAC (e.g., subcontractor, partnering arrangement, etc.) or if the incoming MAC will be utilizing the outgoing MAC's staff and/or facilities (e.g., a turnkey arrangement), CMS will determine if the action plan will continue after cutover to the new MAC or if it can be closed because of the incoming MAC's processes or operational procedures, either in place or proposed. If it cannot be closed, the incoming MAC will be responsible for completing any outstanding parts of the plan once the incoming MAC becomes operational, or develop an alternative action plan with the approval of CMS.

If the incoming MAC is an existing MAC with no corrective action plan(s) in place for its performance, or if the IMAC will not have a relationship with the outgoing MAC or its staff, then there should be no need for the IMAC to become involved with the OMAC's corrective action, other than knowledge of its existence and any effect it may have on the incoming MAC's implementation or operation.

12.15 Operational Assessment/Due Diligence Findings

The incoming MAC should make a concerted effort to complete an initial assessment within the first month of the start of the implementation. However, the incoming MAC's operational assessment and information gathering will continue throughout the transition period as a workgroup activity and will help those groups develop their issues log/action items and deliverables list.

As the transition progresses, the functional assessments will help the incoming MAC determine if changes will be necessary to its implementation approach, operational design, or project plan. The IMAC may modify operational workflows and resource requirements, review provider education/training and communication plans, and/or revise time estimates/dates of implementation activities. It is also possible that the incoming MAC may determine, along with CMS concurrence, that it is beneficial to move certain functions earlier than originally planned.

12.16 Functional Area Assessments

As part of its operational assessment and preparation for transferring the outgoing MAC's Medicare workload, the incoming MAC will need to review information and processes for the following functional areas:

12.16.1 Claims Processing

The outgoing MAC will need to provide the incoming MAC with detailed workload data for all claims processing areas for the current and preceding year. High volume edits, returns, and rejects should be provided. Any backlogs should be identified to see how they may affect the implementation schedule or require certain functions to be moved earlier than planned. The IMAC must also be aware of the acceptable workload levels that the OMAC should be maintaining during its closeout since the incoming MAC may need to provided assistance if necessary. Any unique processing requirements, special claims processing arrangements, or demonstration projects must be identified. Contract compliance and service issues should also be discussed with the IMAC.

The incoming MAC may request the outgoing MAC'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 IMAC to determine procedural differences between its operation and the outgoing MAC's. Any applicable QASP results should be reviewed, as should desk procedures and management reports.

12.16.2 Provider Customer Service

The incoming MAC will need to review the OMAC's provider service policies and procedures so that it can determine procedural variances. A listing of top reasons for inquires will be helpful, as will a listing of providers (including provider number) with high call volumes. Also, a list of challenging providers with consistent issues should be provided. The incoming MAC should review complaint analysis summaries for the past year, if applicable, and evaluate the number of unresolved pending complaints. In addition, the outgoing MAC should provide a historical analysis and trending reports for the past two years.

The incoming MAC may request current customer service workload data such as open provider written and telephone inquiries. The IMAC will analyze data on call backs, email inquiries, the logging and tracking of calls and written inquiries, and quality call monitoring. Copies of quality focused audits performed in the past year and any CMS, OIG, or other external reviews should be provided. The incoming MAC may also ask to examine the level of automation for correspondence generation, forms, listings, and routine reports.

12.16.3 Medicare Secondary Payer

The outgoing MAC will be requested to provide Medicare secondary payer (MSP) documentation so that current operations, desk procedures, and management reports may be analyzed. The incoming MAC may ask for copies of MSP reports relative to workloads and pending caseload. Also, a list of all open/active cases and correspondence may be requested. The IMAC will review MSP prepayment claims processing, 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 MAC's current process of tracking accounts receivable will need to be reviewed. The IMAC will need to determine the status of MSP accounts receivable and work with the outgoing MAC to move any accounts receivable to the incoming MAC's financial system. The IMAC will also need to determine the status of the MSP accounts receivable write-off and identify and reconcile MSP accounts receivable. Also see **Chapter 13.3**.

12.16.4 Medical Review

The outgoing MAC should provide medical review (MR) policies, desk procedures, edits, review tools, inventory, and management reports to the incoming MAC. The incoming MAC will need to review policies, articles, advisories, and mailings for compatibility and retention. Medical records storage/retrieval and privacy act compliance may also be evaluated.

The incoming MAC must review the MR/Local Provider Education and Training (LPET) strategy and reports, as well as the processes and procedures for identifying program vulnerabilities. The IMAC may also want to analyze progressive corrective action (PCA) procedures, reports, programs, data, and related activities. Data analysis methodology will 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 may also be reviewed by the incoming MAC. In addition, tracking techniques for monitoring effectiveness of edits and educational activities should be analyzed.

The IMAC will monitor inventory and track the outgoing MAC's automated and manual workloads. Automated review tools may be analyzed. The incoming MAC will need to meet with OMAC's Medical Director and other MR staff to discuss Local Coverage Determinations (LCDs). The outgoing MAC must retain its LCDs and MR edits until cutover and will provide the historical record for each LCD to the incoming MAC. The IMAC will also review the outgoing MAC's advisory committee activities.

12.16.5 Appeals

Information should be provided to the incoming MAC regarding appeal procedures, including the status of any first level appeals (redeterminations) and RA adjustments that are currently in progress. The outgoing MAC should also develop an estimate of the redeterminations and RA adjustments that will be completed prior to cutover and those that will be forwarded to the

incoming MAC. In addition, the outgoing MAC will need to identify any redeterminations forwarded to the Qualified Independent Contractor (QIC), any outstanding requests from the QIC for reconsideration case files, and/or any effectuations that are in progress.

12.16.6 Provider Audit and Reimbursement

The incoming Part A/Part B 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 MAC's workload and operations—workflow, monitoring processes, internal controls, payment history, CFO reports, provider correspondence, and Freedom of Information Act requests. If applicable, the IMAC should review and negotiate any cost report software vendor contract and evaluate any software that the outgoing MAC may have available for continued use. The incoming MAC should also compare operational procedures and determine if any differences will require changes to its procedures.

12.16.6.1 Audit

The incoming MAC will need to evaluate the outgoing MAC's 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 IMAC will obtain the location and status of desk reviews and audit reviews, as well exception requests, reopenings, appeals and settlements, wage index reviews, hospital audits, and on-site reviews. An inventory of audit data that will be finalized prior to cutover should be prepared, as should an inventory of filed cost reports that will be unprocessed. The incoming MAC will also need to be able to prepare cost report due date letters and demand letters for release after cutover.

The incoming MAC should be able to 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 may be evaluated, as may the settlement and finalization process. The IMAC will also need to determine how files are stored and determine which will be shipped to its operational location.

The outgoing MAC's annual master audit plan should be provided to the IMAC to assist it in developing its master audit plan for the coming year. 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.

12.16.6.2 Reimbursement

The incoming MAC must ensure 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 from the outgoing MAC. The IMAC will also need

to obtain a schedule and inventory of pending interim rate reviews. The year-to-date accuracy of interim payments should be analyzed, as should the tracking of settlements and interim payments.

In addition, the IMAC will need to obtain TEFRA, per resident amount (PRA), and ambulance rates along with an inventory log of all historical rates and supporting calculations. The IMAC should obtain Sole Community Hospital (SCH) information and review cumulative target amounts for multiple years. Provider profile data, provider rates, and address information should also be verified by the incoming MAC.

The outgoing MAC will supply information on its debt collection and referral process. The incoming MAC should review the demand letters/tracking process and the process for entering debts into the debt collection system. The IMAC may want to review overpayment correspondence and obtain historical settlement data. The status of outstanding overpayments will have to be determined by reviewing the overpayment documentation and referrals. The incoming MAC should 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.

12.16.7 Provider Enrollment

The outgoing MAC will need to provide the incoming MAC with the current provider enrollment inventory in order to ensure that the process for enrolling providers and verifying provider ownership and qualification data will function properly at cutover. The incoming MAC will need to assess enrollment procedures and provider application processing timeliness, as well as the provider application pending workload. The incoming and outgoing MACs will determine when the cutoff for requests will occur and when all applications will be forwarded to the incoming MAC. Both MACs must coordinate provider notification as to where and when applications/associated information should be sent.

12.16.8 Provider Education and Training

The incoming MAC will need to obtain training history from the outgoing MAC. This includes the locations of meetings, topics, frequency, attendee mailing information, and telephone numbers. The IMAC may also wish to review training materials such as presentations, curriculum, and manuals/handbooks. The outgoing MAC's provider bulletins and newsletters from the past two years may be of benefit as the incoming MAC develops its education and training plans.

The incoming MAC must work closely with the outgoing MAC to be certain that transition information is transmitted clearly and frequently to providers. When the outgoing MAC holds its regularly scheduled provider/association/specialty group meetings, the IMAC should be invited to attend so that it can make an introductory presentation and answer questions. Joint communication efforts should continue throughout the transition. The incoming MAC

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

12.17 EDI Assessment

The outgoing MAC will provide EMC/EDI information so that the incoming MAC can establish effective EDI processes for all claims submitters and trading partners. The OMAC must provide a complete listing of all providers, suppliers, vendors, and trading partners who are currently submitting electronic transactions. The list should indicate whether submitters are transmitting claims via EDI or DDE. The outgoing MAC should also provide Electronic Remittance Notice (ERN) and Electronic Funds Transfer (EFT) information, as well as EMC submission rates. In addition, the IMAC will need to obtain a list of providers who are not submitting electronically and using hard copy, faxes, or OCR to submit claims.

The incoming MAC should be aware of any special outgoing MAC claim edits that may need to be incorporated into its claims processing environment. The IMAC must also determine if it interprets the standard format values differently than the outgoing MAC. Additionally, the incoming MAC needs to be aware of any information (other than claims) that is accepted by the OMAC in a paperless manner and will need to determine if it will be able to accept those items.

An incoming Part A/Part B MAC will need to determine if the outgoing MAC's EMC submissions come into a corporate network or directly to the Medicare operation. If EMC comes into a corporate network, the IMAC must determine if Medicare and corporate files are commingled. If EMC files are commingled, the files shall be separated so they can be furnished to the incoming MAC.

Unless otherwise determined, EDI submitters will **not** have to complete new EDI enrollment forms when a new Part A/Part B MAC assumes the workload. However, existing forms will need to be inventoried and must be transferred to the incoming MAC at cutover. This transfer does not apply to DME MACs since all DME EDI enrollment forms are maintained by the Common Electronic Data Interchange (CEDI) contractor.

12.17.1 Early Boarding

An incoming Part A/Part B MAC 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 IMAC'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. Early boarders avoid the normal last minute rush at cutover and any unnecessary delays in payments. CMS strongly encourages the use of early boarding for Part A/Part B MACs. Since DME submitters utilize a common front end application, claims submission would not change with an incoming DME MAC and there would not be a need for early boarding.

During early boarding, submitters will submit claims to the incoming MAC's new EDI gateway, using their current outgoing MAC ID and submitter ID. The incoming MAC will then forward submitters' claims to the outgoing MAC for processing. The outgoing MAC will return acknowledgement and error reports regarding the submission to the incoming MAC, who will forward them to the submitters. The MAC should discuss the plans for early boarding with the outgoing MAC to ensure that there will not be any claims processing issues. Since there are several different approaches to early boarding, all parties will need to agree on the details of the process before early boarding begins.

12.17.2 Electronic Funds Transfer

Providers and suppliers who are receiving payments via Electronic Funds Transfer (EFT) from the outgoing MAC must continue to receive EFT payments from the incoming MAC. Therefore, the outgoing MAC must provide the incoming MAC with a listing of active providers and suppliers utilizing EFT. This listing should include each provider's PTA and Tax Identification Number. An updated listing should be sent to the IMAC several times during the implementation to ensure that it has accounted for all active EFT providers/ suppliers prior to cutover. The outgoing MAC will transfer the associated CMS-588 EFT authorization forms to the incoming MAC during cutover, similar to the transfer of EDI enrollment forms.

12.18 Print/Mail Operations

The incoming MAC may analyze mailroom workflow, functions (control, imaging, activation, etc.), and operations to determine how mail functions will be transferred. A breakout of the types of mail received and the average volumes by day should be provided to the incoming MAC, along with the volume of system generated and non-system generated mail.

Agreement will have to be reached on how existing mail will be transferred at cutover and how mail received by the outgoing MAC after cutover will be forwarded to the incoming MAC. Also, there will need to be an agreement on how checks that are received after cutover will be handled (**Chapter 13.7.2**). A decision will need to be made on the disposition of post office boxes and whether or not any of the boxes will be transferred to the incoming MAC. Additionally, the outgoing MAC should provide the IMAC with information on any mail services contractor that it uses for pick up, delivery, presorting, metering of letters, etc.

Print job requirements, formats, and processes will be analyzed by the incoming MAC. Information regarding usage trends for letterheads, envelopes, and internal forms should be provided. The IMAC may also ask to review sample MSNs, provider remittance advices, letters, and reports.

The MAC will need to understand the current process and schedule that the outgoing MAC uses to generate and mail MSNs. Print output will be thoroughly tested. Testing should include MSNs, provider remittance advices, and letter and report generation.

12.19 Assisting Incoming MAC Communication Efforts

The incoming 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. It will also be responsible for communicating information to beneficiaries and other stakeholders. The incoming MAC will need to work with the outgoing MAC to ensure that information is transmitted clearly and effectively during the transition period.

12.19.1 General

The incoming MAC will develop a communication plan that outlines the procedures, means, and schedule that it will follow to ensure that all stakeholders are provided with appropriate information regarding the transition. The IMAC will develop a draft baseline plan, with outgoing MAC input, in accordance with CMS instructions. When the baseline plan is finalized, it will be used to manage communication efforts and allow CMS to monitor activities.

The outgoing MAC is a valuable resource to the IMAC because it possesses detailed information about communications with the various provider groups, associations, government officials, and other stakeholders within the jurisdiction. CMS expects that the outgoing MAC will assist in providing information to beneficiaries and providers throughout the transition period. Outgoing MAC transition communications may include the use of IMAC-developed language for MSNs and Remittance Advices, newsletter articles, scripts for the ARU/IVR, and links to the incoming MAC's website.

12.19.2 Provider Communication

Provider communication will be one of the most important activities for the incoming MAC during the transition. Providers are affected the most by the change of a Medicare claims processor and they have a large financial stake in the project. As such, the incoming MAC must ensure that it makes every effort to inform and properly educate providers about the transition. CMS expects that the outgoing MAC will assist the incoming MAC in its provider communication efforts.

12.19.2.1 Associations

It is important for the incoming MAC to establish a relationship with the major professional organizations such as hospital associations, medical societies, and specialty groups. The outgoing MAC will need to provide information and contacts for provider groups. It should discuss its working relationship with these groups and provide the incoming MAC with points of contact. When the outgoing MAC holds its regularly scheduled provider/association/specialty group meetings, the incoming MAC should be invited to attend so that it can be introduced and make a presentation. The incoming MAC should also attend any Provider Advisory Group (PAG) and/or Provider Communication Advisory Group (PCOM) meetings.

12.19.2.2 Providers

A complete list of providers should be made available to the incoming MAC. The list should include such information as name, address, contact person, email address, Employer Identification Number (EIN), and EMC/EFT information. The MACs should work together to develop articles about the transition for provider bulletins and other publications. Approximately two months prior to cutover, the incoming MAC will develop language for Remittance Advices that will remind providers of the change in Medicare contractor.

12.19.2.3 Workshops/Seminars/Teleconferences

The incoming MAC may hold provider workshops, seminars, or teleconferences to provide a more detailed discussion of how to prepare for the upcoming change of MACs. Topics would include EMC, claims submission and address changes, dark days, edits, any release of the payment floor, and the possibility of increased suspension/rejection of claims. If workshops/seminars are held, they will normally be scheduled six to eight weeks prior to cutover.

The outgoing MAC can prove valuable assistance to the incoming MAC in planning these types of activities. It can provide input to the workshop/seminar schedule, content of the presentation, proposed meeting locations, hotels, and meeting facilities. If possible, an outgoing MAC representative should be in attendance at each session to provide assistance to the incoming MAC with its presentation.

12.19.2.4 Electronic Mailing Lists (Listservs)

The incoming MAC will use electronic mailing lists (listservs) to provide updated and critical information to providers and other stakeholders regarding implementation activities and project schedule dates. All MACs are required to protect their listserv(s) from unauthorized access or inappropriate usage. Generally, listservs should not be shared, sold, or transferred to any other entity. However, the incoming MAC may request that the outgoing MAC transfer its electronic mailing list(s) in order to facilitate rapid electronic communications with the providers/ suppliers in the outgoing MAC's service area. CMS has deemed it to be in the best interests of the Medicare program to share listserv information with an incoming MAC. Therefore, at the beginning of the implementation, the outgoing MAC should provide the email subscriber list file for any listserv that it maintains. The OMAC will need to obtain written permission from its Contracting Officer's Representative prior to transferring the list.

12.19.3 Beneficiary Communications

As with providers, the outgoing MAC should assist the incoming MAC with its beneficiary communications. The following contacts should be provided to the incoming MAC for its communication efforts:

- beneficiary associations and groups such as AARP;
- state and local government agencies dealing with the aged;
- Social Security Administration district offices;
- senior citizen centers; and
- community centers/libraries/retirement centers.

The incoming MAC should attend any regularly scheduled beneficiary outreach or advisory/advocacy group meetings. The outgoing MAC can help the incoming MAC assess demographic and language needs and help the incoming MAC develop language for any mail stuffers or MSN messages. These messages should begin approximately two months prior to cutover.

12.20 Licenses

Licensing agreements can affect a number of MAC activities including EMC software, mail, PC software, imaging equipment, and data analysis tools. In certain transitions, it is possible that the incoming MAC may wish to assume certain licenses held by the outgoing MAC and those licenses should be evaluated on an individual basis. Licenses may be transferred if both parties agree and the language in the agreement allows for such a transfer. If the license agreement has no provisions for a transfer, or if the parties cannot agree to transfer terms, then no transfer can be made and the incoming MAC will have to obtain a new license.

12.21 Determining Stop Work Dates

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

The chart below outlines the critical items that need to be agreed upon by the incoming and outgoing MAC Project Managers before the individual workgroups can begin their discussions and flesh out additional stop work dates for other activities. Uniform stop work dates should be pre-determined for functions which impact a number of departments (e.g., adjustments) so that all areas are working from a common date. Once the critical 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 not be firmed up until after production simulation (e.g., number of dark days may increase/decrease). The incoming and outgoing MACs should do their best to estimate these dates until the final dates are established. If key dates on the timeline change, the incoming MAC should distribute the revised timeline to all workgroups so they can adjust their stop work dates accordingly. The final stop work dates that have been determined will need CMS approval and will be incorporated into the Cutover Plan (**Chapter 15.3**).

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 OMAC	
Dark day(s)	
Cutover day	
Go Live day	
First incoming MAC payment cycle	

Figure 12.1 *High-Level Stop Work Date Timeline*

12.22 File Inventory

During the transition, the incoming and outgoing MACs shall work together to identify all files that will need to be transferred to the incoming MAC.

12.22.1 General

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

The incoming 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 (**Chapter 15.11.2**) that will be developed by the incoming MAC and distributed to the OMAC for its review and input. A list of the types of files that an incoming MAC would request from an outgoing MAC is found in **Exhibit 5, Types of Files to be Transferred to a Medicare Administrative Contractor**.

Because of the complexity of electronic file transfers, the outgoing MAC's contract end date should be taken into consideration throughout the planning and transfer process. If it is estimated that the transfers may continue past the contract end date, the incoming MAC will need to consult with CMS for alternative methods to ensure all required files are transferred prior to that date.

The incoming MAC will also need to be aware of any data access agreement that the outgoing MAC may have with another Medicare claims processor who possesses old commingled Medicare records that include providers currently serviced by the OMAC. A copy of the agreement should be provided to the incoming MAC so that it can negotiate a new data access agreement.

12.22.2 Mainframe Files

The movement of mainframe files may be internal or external, depending on where the files are located. The structure of all the files will need to be provided to the incoming MAC, 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. The actual transfer method/process must be agreed upon with the incoming MAC, with responsibilities acknowledged and agreed to by all parties.

12.22.3 LAN/PC-Based Files

LAN/PC-based files may need to be provided to the incoming MAC at cutover. These files include Excel spreadsheets, access databases, and emails. The incoming MAC will assess LAN file listings and establish transfer protocols similar to those of the mainframe files.

12.22.4 Hardcopy Files

Prior to the actual transfer of files, the outgoing MAC must provide CMS and the incoming MAC with a detailed inventory of hardcopy files. The inventory must include a description of the files, including contents, size, dates, etc. All paper files (archived and active, on-site and off-site) shall be inventoried. The OMAC must also provide storage site information (location, type of files stored, content, volume, security, etc.) and should inform the incoming MAC of any files that are commingled and what the plan will be for separating them. If separation of the files is not possible, the incoming MAC may need to enter into a data access agreement with the outgoing MAC. Once the inventory has been prepared, the IMAC will begin to develop a draft file transfer plan with tentative shipping dates and it will work with the outgoing MAC to ensure that those dates can be accommodated.

The incoming MAC must determine whether to keep existing storage arrangements or move the files to another location. Any files to be moved would be included in the file transfer plan developed jointly with the incoming MAC (**Chapter 15.11.2**). Both MACs 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. The IMAC should schedule a meeting with the outgoing MAC and the storage facility to discuss transfer activities and access. If requested, the existing storage site contract(s) should be provided to the incoming MAC so that it can determine if it can assume the contract or will have to negotiate a new agreement.

12.23 Contract Compliance

The outgoing MAC is reminded that full compliance with CMS requirements continues throughout the term of its contract. It is possible that the Office of Inspector General (OIG) will select the outgoing MAC for a review that will encompass a period of time prior to the cessation of contractor operations. These audits may be performed either directly by the OIG or through a subcontracting arrangement.

Cooperation and compliance in providing requested documentation for any audit is mandatory. The outgoing MAC is obligated to insure that any subcontractors (e.g., data center services, print mail, call center, etc.) also comply with the requirement to cooperate fully and promptly respond to any request for access to data. Failure to fully support requests for documentation may result in a limitation of audit scope. This can result in the citation of a material weakness which could impact an opinion on the adequacy of general controls company-wide or have other consequences.

12.24 Cutover

The cutover period will be a critical period of time for the outgoing MAC's closeout. All of the organizations and tasks will be coming together to effectuate the actual cutover and change of the Medicare Administrative Contractor. It will demand additional time and effort from those responsible for performing the work and also from CMS to insure that all tasks have taken place and that any problems have been resolved. It is also possible that the circumstances surrounding a particular transition may necessitate the outgoing COR or Closeout Lead to be on site at the OMAC's operational location to monitor system closeout, asset disposition, packing, and/or file transfer. See **Chapter 15, Cutover** for a thorough discussion of the cutover process and the functions that need to be performed by the various transition participants during the cutover period.

Prior to cutover, CMS will issue a Technical Direction Letter (TDL) to the outgoing MAC discussing required financial reports and corresponding due dates. The letter will also provide information on the completion of other reports that are required to be submitted. A number of reports will not be able to be completed until after Medicare claims processing operations have ceased. The outgoing MAC must maintain the ability to submit certain reports and have personnel available to gather data and verify its accuracy. All outgoing MAC reports must be completed in accordance with CMS and contract requirements. For additional information on reporting requirements, see **Chapters 13.6, 13.7,** and **16.3**.

Chapter 13: OUTGOING MAC: FINANCIAL PROCESSES

13.1 General

As soon as possible after the award of the new MAC contract, the outgoing MAC should meet with its Contracting Officer and Contracting Officer's Representative to review financial reporting requirements and discuss the policy and procedures for the financial closeout of its operations and contract. This is to insure that all parties clearly understand the closeout financial processes and agree on the tasks that need to be performed. The incoming and outgoing MACs must coordinate activities to be sure that all financial accounts are in order and documents are properly transferred. Provisions must also be made for the outgoing MAC to forward checks and other Medicare mail to the incoming MAC after cutover (**Chapter 13.7**).

The outgoing MAC will need to determine if there are any additional costs above those identified in its original cost proposal that may be incurred because of unforeseen circumstances surrounding the transition of its workload to the incoming MAC. CMS expects the outgoing MAC to maintain operations and support the incoming MAC during the transition. However, CMS acknowledges that there may be additional costs associated with the outgoing MAC's transition and closeout activities. These costs must be discussed, fully documented, and approved by the outgoing MAC Contracting Officer before being incurred.

13.2 Bank Accounts and Reports

The outgoing MAC must inform its bank that its Medicare contract will be ending. The outgoing MAC should also review procedures and protocols for the closing of a Medicare bank account. Medicare bank accounts may be kept open for up to a year after cutover to allow for clearance of outstanding checks. During this period, the letter of credit issued to the bank will remain in effect to allow the bank to request funds to cover all outstanding checks as they are presented for payment.

In situations where the outgoing MAC has no other MAC contract and will no longer be processing Medicare claims, CMS may recommend that the IMAC enter into a novation agreement with the OMAC's bank. This will allow the IMAC to take ownership of the bank account immediately upon cutover and assume all responsibility for the account at that time (including bank clears and CMS reporting) until the bank account is closed.

All CMS financial reports are required to be submitted as long as there are account balances or activity on the reports. These reports include:

- CMS Treasury Report of Receivables (TROR);
- CMS Accounts Receivable (A/R) Overpayment Report;
- CMS Adjustment Register;
- Summary 2 Trial Balance;
- HIGLAS Accounts Receivable Transmittal Document;
- Monthly Schedule of Itemized Bank Services; and
- Recap of Daily Available Balances.

CMS will issue a Technical Direction Letter (TDL) to the outgoing MAC prior to cutover that describes the required financial reports that must be completed along with the corresponding due dates. CMS will also discuss how long the outgoing MAC will have access to the Contractor Reporting of Operational and Workload Data (CROWD), Analysis, Reporting, and Tracking (ART), and HIGLAS systems.

13.3 Accounts Receivable Review

13.3.1 General

Medicare accounts receivable (AR) are a significant balance on CMS's financial statements. When the outgoing MAC's Medicare contract ends, it is necessary to assure that the accounts receivable to be transferred to the incoming MAC are complete, supported by documentation, and properly valued. 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 MAC is responsible for the reconciliation of the accounts receivable for the workload that will be transferred to the incoming MAC. After the transition begins, CMS Central or a Regional Office will contact the OMAC and schedule an on-site visit to conduct the review. However, it is possible that the review will be performed at the RO without a visit. Since it will be assuming responsibility for any accounts receivable at cutover, the incoming MAC will normally attend the review sessions in order to understand the process and the documentation prepared to support the reconciliation.

The AR review will take place 3-4 months prior to the cutover to allow enough time for the AR review report to be completed and for the AR list to be compiled and forwarded to the incoming MAC. Approximately 60 days prior to the cutover, the outgoing MAC should notify the incoming MAC in writing of all outstanding accounts receivable that will be transferred. The written notification will include a transmittal document summarizing the number and value of the accounts receivable being transferred and statement of receipt to be signed by the incoming MAC. The OMAC will include a detailed listing showing each AR 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, 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., medical review, duplicate payment;
- 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 MAC should also send the permanent administrative file for each provider/debtor being transferred to the IMAC. This file must contain all relevant information to support the account receivable being transferred; e.g., identity of debtor, refund requests and documentation to clearly support each accounts receivable/ overpayment determination.

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

13.3.3 Reporting and Documentation

The incoming MAC must retain copies of all documentation related to the transfer of accounts receivable. The IMAC 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 will be included to identify the name of the outgoing MAC and the number and value of accounts receivable that were accepted as a result of transition activity.

The outgoing MAC should keep a file copy of the transmittal document and the summary listing and send copies to the appropriate CMS Regional Office(s) and the CMS Office of Financial Management, Financial Services Group, Division of Accounting, Debt Collection Branch in Central Office.

13.4 BCRC Coordination

The incoming and outgoing MACs must coordinate activities with the Benefits Coordination and Recovery Center (BCRC) contractor to ensure that the complementary credit process will take place correctly and that proper BCRC payments are directed to the incoming MAC. Complementary credits will be sent to the new (incoming) MAC effective with the cutover date. Both MACs shall participate in a teleconference with CMS and the

BCRC at least **30 days** prior to the scheduled cutover date to ensure that all parties have an understanding of their responsibilities at cutover and have the correct information needed as it relates to the old and new workload number identifiers used for the Coordination of Benefits Agreement (COBA) process. See **Chapter 10.6** for additional information.

13.5 PSOR Reconciliation

The outgoing MAC must ensure that the principal and interest identified on the detail listing for each overpayment determination is current and reconciled with the supporting files and reported on the appropriate overpayment reporting/tracking system; i.e., the Physician and Supplier Overpayment Reporting system (PSOR).

13.6 Post-Cutover Reporting

The outgoing MAC is responsible for the completion of all monthly and quarterly reports through the end of its Medicare contract. A number of reports will not be able to be completed at cutover and will need to be submitted after Medicare claims processing operations have ceased. Therefore, the outgoing MAC must maintain the ability to submit certain reports and have personnel available to gather data and verify its accuracy.

All reports through the outgoing MAC's month of cutover (or through the day of cutover if it leaves mid-month) must be completed. The incoming MAC will be responsible for completing all reports beginning with the first cycle run after cutover. If cutover occurs before the end of a quarter, the OMAC must share data with the incoming MAC so that the IMAC can produce a quarterly report. If the outgoing MAC believes that completion of a specific report is not possible or unwarranted, it must contact its Contracting Officer's Representative.

The following is a sample of the financial reports that the outgoing MAC will be required to complete after cutover:

- CMS Treasury Report of Receivables (TROR);
- CMS Accounts Receivable (A/R) Overpayment Report ;
- CMS Adjustment Register;
- Summary 2 Trail Balance Report;
- HIGLAS Certification Statement;
- HIGLAS Accounts Receivable Transmittal Document;
- CASR Contractor Audit and Settlement Report;
- CRSL Cost Report Settlement Log;
- ASCR Audit Selection Criteria Report; and
- IRS Form 1099 Income

See **Exhibit 13, Sample Financial Closeout Letter** for an example of the letter that is sent to the outgoing MAC by the CMS Office of Financial Management requesting various financial reports.

The following is a listing of other reports that will need to be completed by the outgoing MAC:

- CMS 1565/1566 Contractor Reporting of Operational and Workload Data (CROWD) for month and quarter;
- CMS 1563/1564 Monthly MSP Savings;
- CMS 2591 Part B Appeals;
- FOIA Freedom of Information Act Report;
- CSAMS Customer Service and Management System Report; and
- SADBUS Small and Disadvantaged Business Report

13.7 Post-Cutover Financial Actions

During the transition, CMS and the incoming/outgoing MACs need to reach agreement on the protocols for handling outstanding checks and the receipt of payments by the outgoing MAC after cutover.

13.7.1 Outstanding Provider Payment Checks

At cutover, the outgoing MAC must provide the incoming MAC with a final listing of outstanding checks, stale dated checks, and a voided check register. The incoming and outgoing MACs will need to coordinate procedures for handling stop payments, voided checks, and the reissuance of old outstanding checks. The outgoing MAC'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 MAC's Medicare bank account to be closed, the incoming MAC will be responsible for issuing a letter to all providers/beneficiaries with outstanding checks issued by the outgoing MAC. 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 incoming MAC must have the capability of receiving two bank clears files per cycle—one from the outgoing MAC's account and one from the incoming MAC's account. The incoming and outgoing MACs and the VDC will need to work together to establish procedures to ensure that the incoming MAC receives updated information for the outstanding checks that were transferred. This information can come directly from the bank or from the outgoing MAC. The Part B MCS system has the ability to take in a "family" of clears files, but the outgoing MAC's file will need to have a different name than that which is received from the incoming 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.

13.7.2 Cash Receipts/Cash Refunds

The incoming MAC, the outgoing MAC, 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 MAC

after cutover. Since the outgoing MAC will no longer have responsibility for the account receivable or claim history, it must coordinate with the incoming MAC regarding the misdirected cash receipt/refund so that the IMAC 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 MAC will deposit funds received into its Medicare bank account and subsequently issue a check to the incoming 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 incoming and outgoing MACs.

However, when the outgoing MAC will no longer have any involvement in the Medicare program (i.e., it will not be continuing as a MAC for another jurisdiction) or its lock boxes will be closed at the bank, it may be determined that the OMAC or the bank will forward misdirected cash receipts/refunds to the incoming 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 incoming MAC's bank not accept the check without endorsement.

A Collection Reconciliation Acknowledgement Form (CRAF) is required to be completed for all misdirected cash receipts/refunds. The CRAF may be accompanied by a reissued check to the incoming MAC, the original check, or it may be informational only. Regardless of how the misdirected cash receipt is transferred to the IMAC (check or non-cash transfer), a CRAF is required so that adequate controls are maintained to safeguard assets and ensure proper financial reporting.

13.8 Audits and Other Issues

As soon as an outgoing MAC knows it will be leaving the Medicare program, it should contact the CMS Office of the Actuary or OIG Pension Audit staff to begin planning for the upcoming audits. An administrative cost audit will be conducted prior to the closeout of the contract. Costs for all open years may be audited. Once all audits are completed, a global closing agreement will be used to close all open administrative costs. Pension, post-retirement, self-insurance or other administrative costs left open in prior closing agreements will be closed in the global closing agreement.

The administrative cost audits will exclude certain pension, post-retirement benefit, and self-insurance/captive insurance costs from the scope of the review. Costs claimed for qualified defined-benefit pension plan(s) will always be covered in a separate review by a specialized OIG audit team. Furthermore, if accrual accounting has been used to claim costs of any nonqualified defined-benefit pension or post-retirement benefit plan, those costs will also be covered by separate review a specialized OIG audit team. Costs claimed for self-insurance/captive insurance may be subject to separate review unless the outgoing MAC can demonstrate that the premium rates are competitively priced.

The Office of Inspector General Act of 1978 as amended by the Office of Inspector General Act Amendments of 1988 and OMB Circular A-73 govern the audits of governmental organizations, programs, activities and functions, and funds received by contractors. A separate pension audit will be conducted when there is a Medicare contract closing. Because some of the information needed for the pension audit will not be available until the outgoing MAC has received the actuarial valuation for the first period after the contract performance ends, the pension audit is normally delayed for some time. Furthermore, if a pension audit has not yet been performed by a specialized OIG audit team, the outgoing MAC can expect the pension audit to be quite extensive.

The liability for costs of post-retirement benefit plans will be closed out on the cost accounting method used to determine the cost of the contract prior to the end of the period of performance. The outgoing MAC is reminded that changes in cost accounting method are prospective only. The amount of any claim for liability accrued for post-retirement benefits are subject to audit besides separate review concerning entitlement.

The cost of self-insurance/captive insurance is limited to actual benefits payments plus reasonable administrative expenses unless the outgoing MAC can demonstrate that premiums are competitively priced. When assessing the pricing of self-insurance premiums, the Office of the Actuary will review historical data on incurred losses, administrative expenses, retention rates and loss-ratios for groups that are similar in size, industry, benefit structure and geographic location.

13.9 1099 Responsibilities

The outgoing MAC 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 MACs must remind providers that they will receive two 1099s for the year—one from the former (outgoing) MAC and one from the current (incoming) MAC (unless cutover occurs at the end of the calendar year and the incoming MAC made no payments in that year).

The former (outgoing) MAC shall produce separate 1099's for its Medicare line of business and its end-of-year 1099 mailing to providers must contain information referencing the current (incoming) MAC's name, address, and telephone number. Providers should be instructed to contact the current MAC should there be a question regarding the 1099. This is because the former MAC will no longer have access to Medicare provider files or information. However, the IRS will not allow the current MAC to correct a 1099 issued by the former MAC. Only the corporate entity that issued the 1099 can make any corrections.

If there is a question regarding the 1099 that will require a correction to the 1099, the current MAC will forward the question to the former MAC along with the appropriate provider information so that the former MAC can correct the discrepancy. The current and former MACs must enter into a Memorandum of Understanding (MOU) that details the

procedures for providing the necessary information that will enable the former (outgoing) MAC to make the corrections.

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

Chapter 14: OUTGOING MAC: MEETINGS AND DOCUMENTATION

14.1 Meetings

This chapter discusses the variety of meetings that the outgoing MAC will attend during its closeout. These meetings will help ensure that all parties are informed of the progress of the transition. The meetings will also highlight outstanding issues and determine what actions need to be taken by the participants to resolve them. Unless otherwise noted, the incoming MAC will obtain facilities, provide toll-free teleconference lines, and prepare and distribute agendas and meeting minutes.

Exhibit 6, MAC Workload Transition Meeting and Documentation Guide, provides a useful reference in chart form of the following meeting information.

14.1.1 Outgoing MAC Pre-Meeting

As part of the jurisdiction kickoff, CMS will conduct a pre-meeting with the outgoing MAC prior to the general jurisdiction kickoff meeting. The meeting will provide an opportunity for CMS to discuss issues of importance specific to an outgoing MAC that would not be relevant to discussions in the general kickoff meeting. The meeting will be conducted by the outgoing MAC Contracting Officer and attended by the outgoing MAC COR and the Closeout Lead. Topics will include CMS expectations, transition schedule, closeout approach, Closeout Project Plan, personnel issues, asset disposition, file storage and transfer, and financial closeout. See **Chapter 4.7.3**.

14.1.2 Jurisdiction Kickoff Meeting

The jurisdiction kickoff meeting is a one-time meeting, hosted by the incoming 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 team. The schedule will be reviewed, roles and responsibilities defined, and any concerns or issues addressed. The number and function of the transition workgroups will be discussed and breakout sessions will take place. The incoming MAC has the responsibility to set up and host the meeting, and will work with CMS to develop the agenda. The kickoff meeting should be held within **30 days** of contract award or the effective date of contract after a protest has been resolved. See **Chapter 4.7.4** for a detailed discussion of jurisdiction kickoff activities.

14.1.3 Segment Kickoff Meeting

When a jurisdiction consolidation occurs (e.g., Jurisdictions 5 and 6 combined to form Jurisdiction G), each of the two claims processing workloads to be consolidated will be identified as a "segment" from a project management standpoint. There will need to be two segment kickoff meetings, one for each of the outgoing MACs. Normally, a jurisdiction consolidation is the only time that there will be segment kickoffs.

The segment kickoff meeting will represent the formal start of the process of moving an outgoing MAC's workload to the incoming MAC. It is similar to the jurisdiction kickoff meeting in concept, but is focused on the activities surrounding an individual segment transition. 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 4.7.6** for additional details.

14.1.4 Project Status Meeting

A weekly project status meeting is held by the incoming MAC to provide an update on the progress of the transition. It is intended for all parties involved in the project: incoming MAC project manager and workgroup leads, CMS, outgoing MAC project manager and closeout team, VDC(s), shared system maintainers (SSM), and functional contractors such as HIGLAS, CWF, ZPIC/PSC, QIC, RA, NSC (DME), and PDAC (DME). The parties will review the major tasks of the incoming MAC's implementation, using the IMAC's Implementation Project Status Report as the basis (**Chapter 11.2.5**) and receive updates from each of the workgroups.

Participants will go through the deliverables requested and review workgroup items. The meeting will discuss any issues that have arisen and determine appropriate action if there are delays in task completion, deliverables, or action items. The outgoing MAC's related closeout activities will also be reviewed, along with the relevant activities of the other parties involved in the transition.

The status meetings are generally held by conference call, although some may be held in person if warranted. The incoming 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. If there is a jurisdiction consolidation, CMS may determine that two separate segment project status meetings would be more beneficial than a single overall status meeting. If such is the case, the outgoing MAC would only attend the project status meeting pertaining to its segment.

14.1.5 Workgroup Meetings

Transition workgroups are established to facilitate the process of transferring the outgoing MAC's Medicare workload to the incoming MAC. Both MACs must agree on the number of workgroups to be established and the specific responsibilities of each. The transition workgroup heads will conduct the weekly workgroup sessions. The meetings will be used to review the transition activities applicable to the workgroup's function, track deliverables, and monitor action item resolution. Problems or issues will also 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. See **Chapter 4.8**.

14.1.6 Outgoing MAC Weekly Management Closeout Update

The outgoing COR will generally include discussion of the outgoing MAC's closeout activities in its ongoing weekly Contract Administration meeting. However, in certain transitions it is possible that the COR may feel the need to have a separate closeout meeting. The meeting would cover topics that relate specifically to the outgoing MAC's closeout activities including financial issues, staffing, and performance. There would be a limited number of participants: the outgoing COR, Closeout Lead, and OMAC Project Director or designated individual responsible for the closeout. The meeting may be held weekly or on an "as needed" basis.

14.1.7 BRCR Coordination Meeting

The BCRC must coordinate activities with the incoming and outgoing MACs to ensure that the complementary credit process will take place without a problem and that proper BCRC payments are directed to the incoming MAC. As such, the incoming and outgoing MACs shall participate in a teleconference with CMS and the BCRC at least **30 days** prior to the scheduled cutover date to ensure that all parties have an understanding of their responsibilities at cutover and have the correct information needed as it relates to the old and new workload number identifiers used for the Coordination of Benefits Agreement (COBA) process. See **Chapter 10.6** for additional information.

14.1.8 "Go/No-Go" Call

A "go/no-go" teleconference with transition participants will normally be held **7-14 days** prior to the cutover. The meeting will determine if all participants are in agreement that there are no outstanding issues that would prevent the initiation of the final cutover activities that will culminate with the IMAC contractually assuming responsibility for all Medicare claims processing functions. The incoming MAC will coordinate with the CMS Implementation Lead regarding the date and time of the meeting. The incoming 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.

14.1.9 Cutover Meeting

Approximately two weeks before the cutover, daily cutover calls will be held with the incoming and outgoing MACs, CMS, the VDC(s), HIGLAS, CWF, SSM, and other parties directly involved in the actual cutover. 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 several days surrounding the actual cutover. These meetings should continue to be held after cutover until all outstanding issues are resolved. See **Chapter 15.4** for additional information.

14.1.10 Post-Project Review Meeting (Lessons Learned)

The incoming MAC will conduct a post-project review meeting after cutover. All key participants (incoming and outgoing MACs, VDCs, shared system maintainers, CWF, HIGLAS, etc.) and corresponding CMS technical and contractual staff will be invited to the meeting. The purpose of the meeting is to review those activities that were successful during the transition and those that need improvement, along with suggested remedies. Attendees will discuss the lessons learned that were submitted by transition participants and compiled by the IMAC (**Chapter 16.4**). The meeting will take place approximately **4-6 weeks** after the cutover. The incoming MAC will have the responsibility to organize the meeting and provide teleconference access. Also see **Chapter 16.5**.

It is extremely important for CMS to get input from the outgoing MAC in order to improve subsequent transitions. Given this importance, it is hoped that the outgoing MAC will participate in the lessons learned meeting. CMS recognizes that certain transition personnel may no longer be employed by the company and/or the outgoing MAC's period of performance may have ended. However, if key individuals are still in the employ of the company and the outgoing MAC's contract has not ended, CMS will expect appropriate participation in the meeting.

14.2 Documentation

CMS will closely monitor the outgoing MAC during the transition to ensure that the cutover occurs on schedule and that all Medicare workload, data, and records have been transferred and the contract properly closed out. CMS requires the OMAC to submit the following documents during the closeout period. For convenience, a comprehensive guide to the incoming and outgoing MAC documentation required during a transition is found in **Exhibit 6, MAC Transition Meeting and Documentation Guide**.

14.2.1 Closeout Project Plan (CPP)

The outgoing MAC will be responsible for developing and maintaining a Closeout Project Plan (CPP). The CPP will reflect the outgoing MAC's approach to closing out its Medicare operation and shows the detailed tasks and timeframes necessary for the transfer of Medicare files and operations to the incoming MAC. It will also show the activities required for contract closeout. The CPP must be coordinated with the incoming

MAC's Jurisdiction Implementation Project Plan (JIPP). A baseline CPP should be submitted for approval to CMS within **15 days** of the jurisdiction kickoff meeting. The CPP is a dynamic document and will be modified as events occur during the transition. The outgoing MAC must ensure that CMS is aware of any changes made to the CPP and that those changes are reflected in the weekly CPP update. Additional information on the CPP may be found in **Chapter 12.3**.

14.2.2 Closeout Project Plan Update

The CPP will be updated on a weekly basis. The update will be included with the Closeout Project Status Report (**Chapter 14.2.5**) and submitted at least two days prior to the weekly project status meeting (**Chapter 14.1.4**). 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 CPP. When submitting an updated CPP, tasks that are not on schedule should highlight in red. The update should also show any new tasks that have been added to the plan and tasks that have been deleted, along with an explanation for the change.

14.2.3 Risk Management Plan

The outgoing MAC must develop a risk management plan for the closeout of its Medicare operations. The plan should identify potential risks, their causes, the probability of occurrence, the impact on the transition, mitigation strategies, and possible contingency plans. The OMAC must also provide information as part of the incoming MAC's assessment/ due diligence so that the IMAC can develop its risk management plan. The outgoing MAC's risk management plan should be finalized within **30 days** after the jurisdiction kickoff. This "baseline" plan must be submitted to CMS for review and will be used to monitor the OMAC's risk management activities. See **Chapter17, Risk Management** for additional information.

14.2.4 Risk Management Plan Update

The risk management plan should be assessed at least on a **biweekly** basis and updated as appropriate. The update should identify any new risks along with an explanation of the changes. It should also describe the implementation of new risk responses, including mitigation strategies and contingency plans. An updated plan should be submitted with the Closeout Project Status Report (**Chapter 14.2.5** following).

14.2.5 Closeout Project Status Report

The Closeout Project Status Report is prepared weekly and provides a narrative update on the status of the outgoing MAC's closeout activities. The report should describe the activities that have taken place in each major task area of the project for the weekly reporting period. It should also include a discussion of outstanding issues and the status of deliverables. If there are problems or potential problems, the outgoing MAC should

provide detailed information and provide any resolution measures. The report should also discuss any schedule slippage, the impact it may have on the project and the steps that are being taken to correct the situation. The Closeout Project Status Report is due two days prior to the weekly project status meeting (**Chapter 14.1.4**).

While the outgoing MAC may organize and display the tasks/activities of its Closeout Project Plan in the manner of its choosing, the Closeout Project Status Report **must** be structured using CMS's standardized transition report format. The format is the common thread for all participants throughout the transition when reporting the status of the project. It is used by the incoming and outgoing MACs and internally by CMS. It will also be the format for reporting lessons learned (**Chapter 16.4**).

The closeout report format consists of seven transition work elements. Closeout status and information for the week will be reported under the appropriate element. Information will be displayed in bullet or narrative format using the following work elements:

- **Project Management**

  This element includes organizing project staff and workgroups, preparing the various plans required by CMS, meetings, monitoring and reporting progress, issue/problem resolution, deliverables, managing costs, managing risk, and other information/tasks that are not specific to the other elements.

- **Communications**

  Activities include coordination with the incoming MAC and communications with providers, beneficiaries, medical/specialty groups, trading partners, etc. regarding the change in Medicare Administrative Contractors and the outgoing MAC's role in the transition.

- **Claims Processing/Operations**

  This element involves activities associated with closing down the **business environment**. Tasks include preparing operational shutdown activities, due diligence assistance, workload reduction, and deliverables preparation.

- **Systems/EDI**

  This area involves closing down the **technical environment**, including EDI, voice and data telecommunications, base/non-base applications and services, local hardware/software, and interaction with the VDC.

- **Resources/Infrastructure**

  Activities include personnel activities, asset inventory, and shutting down/disposition of facilities and associated infrastructure.

- **Financial**

This element involves banking activities, accounts receivable review, cost reporting, and 1099 activities.

- **Cutover/Workload Transfer**

This area involves file preparation, on-site and off-site record storage, file transfer plan, and the activities associated with the actual cutover of Medicare operations and transfer of files.

14.2.6 Issues Log/Action Items

The outgoing MAC should maintain an issues log/action items list for any items identified during the closeout that pertain solely to the OMAC and are not part of the implementation issues log maintained by the incoming MAC (**Chapter 11.2.7**). 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, and any pertinent comments. The document should be reviewed weekly and updated as required. It should be submitted with the weekly Closeout Project Status Report (**Chapter 14.2.5**).

14.2.7 Baseline Workload Data

At the beginning of the transition, the outgoing MAC will provide CMS and the incoming MAC with monthly jurisdiction workload data for the 12-month period prior to the jurisdiction kickoff. The information will be used as a baseline by the incoming MAC to monitor workloads from various operational areas so that it can gauge its staffing activities and the possible early movement of certain workloads. The OMAC will submit the initial baseline template for the 12-month period to the outgoing COR/CL and the IMAC no later than **15 days** after the kickoff meeting. When the OMAC begins to report workload on a weekly basis (see **Chapter 14.2.8** following), the weekly reports will be consolidated on a monthly basis and added on a cumulative basis to the monthly baseline document. See **Chapter 12.5** and **Exhibit 4, Sample Baseline Workload Templates**.

14.2.8 Workload Report

As part of CMS's closeout monitoring, the outgoing MAC will begin to submit weekly workload reports effective with the contract award date/effective date of contract or as directed by the COR. The report will be submitted to the Closeout Lead and the Implementation Lead, who will have determined the specific workload data to be reported.

Data shall include:

- Receipts;
- Claims processed;

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

The outgoing MAC's actual workload should be displayed against the expected weekly/ monthly workload goals. The information in the weekly workload reports will be consolidated on a monthly basis and added on a cumulative basis to the monthly baseline workload template discussed in **Chapter 14.2.7**.

CMS will analyze the weekly and baseline production data for trends, spikes, and major discrepancies between the outgoing MAC's actual workload and anticipated workload projections. If there are major discrepancies, the OMAC will need to provide an explanation in its report. If there are concerns about any functional area, the COR and/or CL will have discussions with the OMAC to determine the need for any corrective action. The OMAC workload information will be provided to the incoming MAC on an ongoing basis, along with any operational issues that arise.

14.2.9 Staffing Report

The outgoing MAC's staffing levels by functional area will be monitored during the closeout. The OMAC will provide a weekly breakout of staff to CMS and the incoming MAC that shows 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.). There should also be an explanation of any changes. Based on the workload and staffing reports, it is possible that CMS may instruct the OMAC to obtain additional resources or decide to move a particular function sooner than expected. This would occur after consultation with both the outgoing and incoming MACs. The project schedule and closeout costs would be modified accordingly.

14.2.10 Asset Inventory

As part of its closeout activities, the outgoing MAC must develop a final inventory of its Medicare assets. The inventory will contain a detailed list of all supplies, furniture, hardware, software, equipment, and other work-related items that were furnished or acquired under the terms of the outgoing MAC's Medicare contract. Any government furnished property (GFP) or equipment (GFE) should be listed separately and identified as such. The inventory must be provided to the outgoing MAC Contracting Officer and outgoing Contracting Officer's Representative as soon as possible after contract award to the incoming MAC.

The outgoing MAC is responsible for the disposition of government-furnished property or property acquired by the MAC using contract funds. The disposition of assets shall be under the direction of the outgoing MAC Contracting Officer and in accordance with the Federal Acquisition Regulation (FAR). See **Chapter 12.13** for additional information.

14.2.11 File Inventory

The outgoing MAC must develop an inventory of all files and records that will be transferred to the incoming MAC. The inventory should give a description of the files, including contents and size. If the OMAC has more than one operational site, an inventory must be prepared for each site. The outgoing MAC should begin to prepare its file inventory as soon as the MAC contract is awarded. 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 incoming MAC will use the inventory to determine where files will be located when it assumes the workload and to develop the file transfer plan. During the cutover period, the outgoing MAC will finalize its file inventory and provide a copy to both CMS and the incoming MAC. See **Chapter 12.22** and **Chapter 15.11.3**.

14.2.12 File Transfer Plan

After the outgoing MAC has prepared the draft file inventory, the incoming MAC will develop a working draft of the file transfer plan that will be shared with the outgoing MAC for review and input. The draft plan will then be jointly refined. 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 will need to 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 jointly finalized when the outgoing MAC prepares its final file inventory during the cutover period. See **Chapter 12.22**, **Chapter 15.11**, **Exhibit 7, MAC Cutover and Workload Transfer Planning Guide**, and **Exhibit 8, File and Record Transfer Plan Contents** for additional information.

14.2.13 Lessons Learned

CMS believes that each transition that takes place will provide valuable information and lessons learned for subsequent transitions. As such, CMS asks that during the closeout the outgoing MAC maintain a list of activities that went well, problems that were encountered, and suggestions for how things could be handled differently during the next transition. It is hoped that after cutover, the outgoing MAC will be able to prepare a lessons learned document regarding its activities during the closeout. The document should be structured using the seven elements of the CMS standardized transition status report (**Chapter 14.2.5**). The lessons learned should analyze what activities were

successful and why, and discuss those activities that need improvement. It should be submitted to the incoming MAC as soon as practicable after cutover and will be used as part of the discussion during the post-project review meeting (**Chapter 16.5**).

Chapter 15: CUTOVER

Additional detail and information regarding cutover activities and workload transfer may be found in **Exhibit 7, MAC Cutover and Workload Transfer Planning Guide**.

15.1 Definitions

Cutover:

Cutover is the actual point in time when the outgoing MAC ceases Medicare operations and the incoming MAC begins to perform those functions. Normally, the Part A cutover and the Part B cutover will occur on separate dates.

Cutover period:

The cutover period is defined as the period of time surrounding the actual Part A or Part B cutover. It usually begins **10-14 days** prior to the cutover and ends with the incoming MAC's Part A or Part B Operational Start Date, defined as the day that the MAC begins normal Medicare operations for the workload that it assumed at cutover. During the cutover period, the outgoing MAC makes final preparations to shut down its operation and transfer its claims workload and administrative activities. Correspondingly, the incoming 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 (**Chapter 15.3**) are normally referred to as cutover tasks.

Post-Cutover:

The post-cutover period is a CMS-designated period of time beginning with the incoming MAC's Operational Start Date. During the post-cutover period, CMS will closely monitor the IMAC's operations and performance to ensure the timely and correct processing of claims for the workload that was transferred. CMS will also track any Part A or Part B cutover plan issues and track resolution of any problems associated with the implementation. The post cutover period for the incoming MAC is generally **three months**, but it may vary in length depending on the success of the implementation. For additional information on post-cutover activities, see **Chapter 16, Post Cutover**.

During the post-cutover period, the outgoing MAC will perform operations wrap-up, prepare final financial and other reports, and conduct various contract closeout activities until the end of its period of performance.

15.2 Cutover Workgoup

A cutover workgroup will be established to manage cutover activities. It should be composed of representatives from the incoming and outgoing MACs, CMS, and other involved parties; e.g., VDC, HIGLAS, shared system maintainers, CEDI (DME), NSC (DME), 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 4.8**. While some incoming 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 incoming MAC Implementation Project Manager, the outgoing MAC Closeout Project Manager, and/or other workgroups which will impact the manner or circumstances of the transfer of the MAC 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 input from all of the other workgroups, the cutover workgroup will coordinate the cessation of activities (stop work dates, mail, financial, etc.), determine the necessary production interruptions (EMC, OSA queries, etc.), 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 cutover issues that are identified by CMS or raised in other forums (e.g., status reports, workgroup minutes, etc.) must be placed on the issues log and discussed at each workgroup call. In addition, some incoming MACs may consolidate any remaining activities or deliverables from the other workgroups into the cutover workgroup when the cutover period begins. The cutover workgroup would then assume responsibility for managing those tasks.

15.3 Cutover Plan

The incoming MAC will be required to submit a cutover plan for the workload that will be transferred. Two separate cutover plans should be prepared when Part A and Part B cutovers are scheduled to occur on different days/weekends. The cutover plan is an expansion of the cutover tasks that are shown in the MAC's Jurisdiction Implementation Project Plan (JIPP) and will include the associated activities of the outgoing MAC and other participants. The plan should be submitted to CMS for review no later than **45 days** prior to the actual cutover. There are a number of factors that will influence the cutover plan. Planning for the cutover should be done well in advance of the actual date in order to ensure a smooth transition.

The Medicare Contractor Management Group has prepared a cutover and workload transfer guide for the incoming and outgoing MACs. The guide 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 copy is included as **Exhibit 7, MAC Cutover and Workload Transfer Planning Guide**. A current version of the guide will be distributed at the jurisdiction kickoff.

The cutover plan will contain very detailed and specific information. It will show tasks at a very low level and it may be detailed to an hourly level at times. Many incoming and outgoing MACs use the plan as a checklist and to script the events and deliverable dates during the cutover period. While the incoming contractor has the lead, the cutover plan must be developed jointly with the outgoing MAC, along with input from CMS, the VDC, ZPIC/PSC, shared system maintainers, and any other entity that will be playing a significant role in the actual transfer of the workload. The IMAC will also work with impacted peripheral system maintainers (e.g. NGD, NPI, CERT, CWF, PECOS, BCRC, etc.) to document all tasks related to their systems and to whom those tasks are assigned. The incoming 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 and the BCRC coordination with the bank.

The cutover plan should show the responsible organization, task number, any JIPP task reference 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 timeframes, the specific cutover responsibilities for each party, items to be transferred, and terminology. The incoming MAC has the overall responsibility for preparing the cutover plan and submitting it to CMS. The plan must be distributed to all involved parties, CMS transition team members, and workgroups. The plan should be updated and distributed daily when the cutover period begins.

After a draft of the cutover plan has been developed, the incoming MAC shall have a teleconference with all organizations involved in the cutover to walk through the plan. Each cutover task will be discussed so that everyone involved understands what specific activities will be taking place and at what times. Tasks may be added, revised, or removed. After the draft has been finalized, the IMAC will obtain CMS approval and send it to all involved parties. There should be very few, if any, changes to the final plan after CMS approval. Should any occur, the IMAC must ensure that the change is communicated and understood by all parties.

15.4 Daily Cutover Meeting

At the beginning of the cutover period (approximately **10-14 days** before cutover), the incoming MAC will begin daily cutover teleconferences with the outgoing MAC, CMS, and other participants involved in the transition (e.g.,VDC, HIGLAS, SSM, etc.). The purpose of the meeting is to review the cutover plan and the daily events that are scheduled to occur. The incoming and outgoing MACs and other stakeholders should

also provide a brief synopsis of the activities that took place during the previous day and overnight.

Participants will go through the cutover plan line-by-line to determine if any open tasks from the previous day(s) have been completed; the status will be provided if they have not. The group will then perform a line-by-line review of the tasks scheduled for the upcoming day and 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 participants or any of the other workgroups.

The time of day for the daily teleconference has varied among MACs. Some MACs have held meetings in the late morning, while others have conducted meetings in the afternoon so that more information was available and task completions could be better assessed. Incoming 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 IMAC 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.

The outgoing MAC should have a representative available throughout the cutover period and for the week after cutover, unless it is determined by CMS that his/her participation is not required. 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 operation or until all issues are resolved. At that point, CMS will make a decision as to the frequency of the meetings.

15.5 Cutover Reminder

Prior to cutover, CMS and all interface contractors (NGD, NPI, CERT, CWF, PECOS, HIGLA, BCRC, etc.) should be notified by email of the upcoming cutover and reminded that any changes to their systems or operations must be in place by the incoming MAC's operational start date. This notification should occur **30 days prior** to the actual cutover and an additional reminder should be sent **one week** before cutover. The reminder will be sent to the affected organizations listed on the incoming MAC's transition contact/ distribution list and those listed in **Exhibit 11, Cutover Points of Contact for Peripheral System/Interfaces**. See **Chapter 11.2.18** for additional information.

15.6 "Go/No-Go" Call

A formal "go/no-go" teleconference with transition participants may be held **7-14 days** prior to the cutover. The meeting will determine if all participants are in agreement that there are no outstanding issues that would prevent the initiation of the final cutover activities that will culminate with IMAC contractually assuming responsibility for all Medicare claims processing functions. The incoming MAC will coordinate with the CMS Implementation Lead regarding the date and time of the call. The IMAC 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.

15.7 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 network data mover (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 incoming and outgoing MACs and key parties such as the VDC, HIGLAS, SSM, etc. discuss the major activities and any concerns during the planning stages of cutover simulation. If there are Part A/Part B or segment cutovers that overlap, all parties must ensure that adequate resources are available for any overlapping activities. 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 MAC'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, down times for the VDC and telecommunications must be considered when determining the schedule. The simulation should be scheduled far enough in advance of the production cutover to ensure testing can be completed timely. If deemed necessary, the incoming MAC will 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.

CMS believes that the incoming MAC should consider the benefits of production simulations for all stakeholders when developing its requirements. When production simulation is not conducted, the production cutover planning process will be more

complicated and time-consuming. The incoming MAC will need to be prepared to conduct numerous meetings to walk through the production cutover plans and discuss tasks that could have been defined and understood during production simulations. In addition, the incoming MAC must perform thorough end-to-end testing to ensure that all NDM jobs are identified and that all associated programming changes and triggers are in place and completed at the time of cutover. End-to-end testing will need to be started early enough to complete and resolve any problems that may be encountered.

15.8 Financial Considerations

The incoming and outgoing MACs will need to discuss financial reporting requirements early in the implementation process to ensure that all parties clearly understand and agree to the activities that will occur. Particular attention should be paid to the cutover date and the "go live" (operational) date when determining the last financial cycle for the outgoing MAC. If it is determined that the outgoing MAC'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 MAC provide separate financial reporting for those days. Also, the incoming and outgoing MACs and the VDC 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 cutover user acceptance testing (UAT) and production simulation to ensure any changes are tested prior to the actual cutover.

The incoming and outgoing MACs will need to consider periodic interim payments (PIP) when determining cutover activities. Periodic interim payments to providers must be coordinated when the cutover payment cutoff date occurs within a PIP payment period. In addition, the Health Professional Shortage Area (HPSA) payments should be released following the normal schedule; the outgoing MAC should not be requested to release payments prior to cutover.

15.9 System Dark Days

15.9.1 Definition

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.

15.9.2 Number of Days

One of the issues for discussion and resolution during a transition will be the number of system "dark days" that will occur at cutover. During the cutover period, the outgoing MAC 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 claims processing operations. The incoming MAC must verify that all

telecommunications, hardware, software, and equipment are installed, tested, and properly functioning after the cutover. In addition, the IMAC will need to run cycles to check out the transferred files and claims processing functions. The VDC will also be changing contractor numbers and identifiers for reports, database tables, etc. The time that it takes to accomplish these activities will vary from one transition to another.

The incoming MAC, in conjunction with the outgoing MAC, VDC, HIGLAS, 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 MAC, the length of time required for the OMAC's final cycles and closeout activities, and the various other cutover tasks that may have to be performed by other functional contractors.

15.9.3 Timing

System dark days may occur between the time the outgoing MAC ends its final batch cycle and the incoming MAC begins its first day of normal business operations for the jurisdiction. Cutover normally occurs over a weekend and usually at the end of a month. In many cutovers, two weekend days is insufficient to complete all of the activities. If such is the case, a "dark" day or days will be required. Most cutovers will require one or two dark days, but some cutovers may require more.

15.9.4 Dark Day Effects

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) can 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 MAC until the completion of the incoming MAC's first cycle.

15.9.5 "Dim" Day

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.

15.9.6 CMS Approval

CMS must be involved in the dark day discussions and a formal request for approval of any dark day(s) must be submitted. If the dark day will occur under the outgoing MAC's contract prior to the actual cutover, the OMAC should submit a request to the outgoing COR and Closeout Lead. Correspondingly, if the dark day will occur on after the actual cutover under the incoming MAC's contract, the IMAC should submit a request to the incoming COR and the Implementation Lead.

All system dark day requests should specify the day(s) and include a description of the impact and the business justification for why the dark day is needed. CMS will take into consideration the reasonableness of the number of day(s) proposed and the assurances that provider impacts were taken into account. CMS approval of the number of dark day(s) will occur with its approval of the overall cutover plan.

Some incoming MACs have requested and received approval for a contingent dark day, even in cases where it appeared that a dark day may not be needed. The contingent dark day ensures that there is adequate time for all work that needs to be completed including all non-HIGLAS contractor conversion activities, particularly when there is a data center initial program load (IPL) which could take 4 to 8 hours of time away from cutover activities. If the contingent dark day is not needed, then the incoming MAC can notify providers via website and/or listserv.

When applicable, dark day requests should be submitted with HIGLAS pay forward requests (**Chapter 15.10** following). HIGLAS dark day requests follow the HIGLAS-defined process for completing and submitting Appendix R.

15.10 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 MAC adjudicated claims that are waiting to be paid.

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

- a HIGLAS split during any Part A or Part B cutover.
- changes to the Part B MCS system during the cutover (e.g., splits, merges).

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

Release of the floor is known as "pay forward" when there is HIGLAS involvement in the cutover. The outgoing MAC 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.

Discussions on the payment floor should begin early in the transition. 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 MACs 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 each MAC's other operations (EFT, ERAs, etc.). In addition, the MACs 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 incoming MAC at cutover, there must be a description of how the payment floor will be gradually reinstated.

The incoming and outgoing MACs must develop a sample communication to be distributed to the provider/supplier community by listserv and other means. It will address the temporary 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 during the first weeks after cutover they may receive lower payment amounts or no payment because claims submitted prior to the cutover were paid earlier than they normally would have been.

15.11 Data Migration

The outgoing MAC will prepare all Medicare files and records for transfer to the incoming MAC. The files will be transferred to the prescribed locations as described in the file transfer plan. While the IMAC has the lead for the plan, the development of the plan is a joint responsibility of both the incoming and outgoing MACs. Both MACs 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**.

15.11.1 File Inventory

During the transition, the OMAC will develop an inventory of Medicare files in its possession (electronic data files, databases, hardcopy, microfilm, microfiche, tape files, etc.) and prepare a draft inventory list for the incoming MAC (**Chapter 12.22)**. The inventory should include the file content description, volume/size of data, data set information, tape and file processing methods, and record information. If the outgoing MAC has more than one operational site, an inventory must be prepared for each site. The inventory list will be used by the workgroups and project managers to determine what files will be moved and where they will reside after cutover. The list will be the basis for developing the file transfer plan.

15.11.2 File Transfer Plan

The transfer of all Medicare records and files to the incoming MAC is a major activity for both the incoming and outgoing MACs. The file transfer plan will delineate the steps for accomplishing this task. While the incoming MAC has the lead, the development of the plan is a joint responsibility with the outgoing MAC. The plan will describe the files and records to be transferred by type, method of transfer, transfer protocols, and destination(s). It is extremely important that the two MACs cooperate fully in formulating the plan.

The workgroup responsible for the file transfer plan can begin to develop certain aspects of the plan early in the transition period and prior to the receipt of the draft file inventory list. The list must be received by the incoming MAC no later than **45 days** prior to cutover. Once the draft inventory is received, the incoming and outgoing MACs will begin to finalize a draft file and record transfer plan. The plan will be submitted no later than **30 days** prior to cutover.

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 (**Chapters 7.6** and **12.21**) that the outgoing MAC 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 OMAC's operation. This possibility should be accounted for in the incoming MAC's risk management plan. See **Exhibit 7, MAC Cutover and Workload Transfer Planning Guide** and **Exhibit 8, File and Record Transfer Plan Contents** for additional information.

Files may be: 1) transferred to the incoming MAC's facility for support of its operation; 2) kept at the existing operational site or existing storage facility with transfer of ownership; 3) sent to an incoming MAC storage facility or contracted storage facility; or 4) in the case of duplicative files, destroyed. The incoming and outgoing MACs should meet with the management of all storage facilities to discuss transfer access, protocols, and schedules.

Because of the complexity of the electronic file transfers, the outgoing MAC's contract end date should be taken into consideration throughout the planning and transfer process. If it is estimated that the transfers may continue past the contract end date, the incoming MAC will need to consult with CMS for alternative methods to ensure all files required are transferred prior to that date.

15.11.3 Final File Inventory

During the cutover period, the outgoing MAC will provide the incoming MAC with a final inventory of all files and records that will be transferred. All required updates to files must be completed prior to transfer. Any files that will be split and moved to another MAC or

organization during the transition period must be identified. If there is more than one operational site for the outgoing MAC, an inventory must be prepared for each site.

The final inventory will give a description of each file, including contents, size, dates, location, etc. The inventory list will be used by the workgroups and project manager to update and finalize the file transfer plan, which will detail preparation, packing, logistics and destinations for files and records. CMS must be provided a copy of the final file transfer plan approximately one week prior to cutover.

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 MAC prior to transfer. A test transfer of files should be made prior to cutover and the incoming MAC must test transferred files as part of its system checkout at cutover.

15.11.4 File Format

Files scheduled to be transferred to the IMAC in an electronic format must not be in a proprietary format which would preclude the use of the data by the incoming MAC. Any electronic files stored in a proprietary format **MUST** be converted to a standard or flat file format prior to transfer to the incoming MAC. The costs associated with converting files from a proprietary format will be borne by the outgoing MAC.

15.11.5 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 Chief Information Officer (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. In these situations, the 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 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.

15.11.6 Packing

The file transfer plan should provide for early packing of as many operational files as possible without any negative impact on the operations of the outgoing MAC. Normally, records are not all packed and moved at one time. The outgoing MAC should prepare 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 outgoing MAC is also responsible for ensuring that the boxes containing data to be transferred are appropriate for the content and in suitable condition for shipment.

The outgoing MAC should use a labeling system so that boxes are routed correctly to the incoming 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 to 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 outgoing MAC must ensure that workload counts that are derived from workload tracking systems and submitted to the IMAC prior to cutover 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 the incoming MAC may make periodic on-site visits prior to shipment to insure that files are properly prepared, inventoried, and meet security requirements.

15.11.7 Transfer of Hardcopy Files and Physical Assets

The incoming MAC will be responsible for the shipment of files and any physical assets (equipment, supplies, furniture, etc.) that it obtains from the outgoing MAC before, during, or after the cutover. The method of shipment will normally be commercial common carrier; however, in certain situations, the incoming MAC may find it more practical or cost effective to move the files itself. Regardless of the method of shipment or the entity 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. Medicare files are shipped "FOB origin", meaning that the outgoing MAC is responsible for having files and any other items ready and loaded for shipment. The incoming MAC's cost is the actual charge to transport the boxes/items and unload them wherever they will be located and stored. In some instances, file transfer activities will continue beyond cutover. Any costs associated with files transferred after cutover will be the responsibility of the incoming MAC.

It should be noted that withdrawal fees that are incurred when records are being transferred from an outgoing MAC's offsite storage facility to an incoming MAC's offsite storage facility

are not a cost of conveyance. They are an outgoing MAC's cost and are considered to be a preparation cost in order to have the files ready for shipment.

The incoming MAC may believe it beneficial to have a representative at each of the outgoing MAC's locations from which items will be shipped. These representatives would sample files to verify content and proper labeling, ensure that items are loaded for the proper destination, and invoiced correctly for the proper destination. They may also check any assets that are being obtained from the OMAC against the acquisition list to verify that all are accounted for and in the proper condition. CMS may also have an on-site representative at the outgoing MAC's facility during this time to monitor closeout activities.

15.11.8 Disposition of Records

All records created or used in the administration of the Medicare program are property of the United States Government. The outgoing MAC must release all original Medicare files and records to the incoming MAC when the workload is transferred at cutover. The only exception to this requirement is that the outgoing MAC may keep its administrative financial files until it has prepared its final cost report. Any files that are not transferred to the custody of the incoming MAC or required for closeout financial activities **MUST** be destroyed by the outgoing MAC and certified as such.

15.12 Sequence of System Cutover Activities

The following sequence of system activities will occur at cutover:

15.12.1 System Closeout

The outgoing MAC 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 incoming and outgoing MACs should work with the VDC to determine whether a quarterly cycle needs to run as part of the closeout cycle. The outgoing MAC will need to determine what reports will be needed and the VDC will determine what system changes or updates will be necessary.

15.12.2 Back Up

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

15.12.3 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 MAC'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 the shared systems, release changes, non-base system changes) will be made. Changes could involve MSN and remittance advices, identification number, print/mail interfaces, ARU/IVR scripts, etc.

15.12.4 Data Conversion

It is possible that the incoming 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 incoming MAC will need to validate the conversion output.

15.12.5 Initial System Checkout

An initial system verification will be performed by the incoming 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 IMAC will also determine if hardware, software, and equipment is installed and operating properly.

15.12.6 Functional Validation of System

The incoming 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 will normally run claims and correspondence that were pending after the outgoing MAC'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 MAC's cutover activities. The incoming MAC will verify system output after each cycle and will then make a decision whether or not to begin normal business operations.

15.12.7 First Incoming 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 (claims processing, medical review, MSP, audit and reimbursement, provider enrollment, etc.), any additional EMC held from the cutover period, OCR/ICR, and DDE. All aspects of the system must 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, BCRC, etc.). All print/mail functions will be validated, including checks, remittance advices, MSNs, automated correspondence, and reports.

15.13 Reporting

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

15.14 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 a failure. CMS expects that the incoming MAC will inform providers frequently by various methods about the cutover and how their Medicare payments may be affected. The IMAC regularly shall post information on its web site and make listserv announcements to providers regarding the cutover.

Cutover information must be part of any provider workshop/seminar/teleconference and should be included in any provider bulletins or notices. The incoming and outgoing MACs 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 also be helpful in reminding providers/submitters about the upcoming cutover and change of Medicare contractor. Some incoming MACs have found it beneficial to establish a status inquiry line over the cutover weekend so that participants and other interested parties can obtain frequent updates to the status of cutover activities.

At a minimum, the following cutover information should be provided:

- The cutoff dates for the submission of EMC and paper claims, redetermination requests, cost reports/appeals, audits, quarterly PIP data, etc., to the outgoing MAC;
- The last day the outgoing MAC will make bill/claim payment;
- The last date the outgoing MAC will have telephone and customer service for providers;
- The date the last outgoing MAC bank file is sent to the bank;
- The release and reinstatement of the payment floor (if applicable) and what effect it will have on claims payment;
- The number of “dark days” and the effect those days will have on claims submission and provider customer service;
- The availability of IVR, provider customer service, and the EDI Helpdesk;
- The first day the incoming MAC will accept EMC claims;

- The first day the incoming MAC will accept paper claims and the new address to be used;
- The date when the incoming MAC will begin the bill/claim payment cycle and when the first payments (EFTs and checks) will be produced based on the last outgoing MAC bank file; and
- The date when the incoming MAC will begin customer service for providers.

Chapter 16: POST-CUTOVER

16.1 General

Post-cutover is the period of time after cutover when CMS will closely monitor the new (incoming) MAC's operations and performance. CMS will monitor workload and operational processes and it will track any open issues or reported problems associated with the cutover. The post-cutover period is normally three months, but it may vary in length depending on the performance of the incoming MAC.

The outgoing MAC will no longer be responsible for Medicare claims processing after cutover. However, there will be wrap-up activities associated with the cutover and the outgoing MAC must compile, verify, and submit a number of CMS reports before the end of its period of performance. Most post-cutover activity for the OMAC will involve the preparation and submission of Medicare reports and the financial closeout of the contract.

16.2 Incoming MAC Responsibilities

16.2.1 First Day of Operations

The incoming MAC will normally have experienced managers and/or clerical staff to walk the floors to assist new staff in answering questions, navigating new screens, and helping with system security protocols and sign-on procedures. They will also help staff who may be new to the facility and need to familiarize themselves with locations, supplies, and other work materials. In addition, the help staff will provide assistance with new equipment or software and can identify potential problem areas and operational issues. A CMS representative may be on site at the incoming MAC location to check the status of cutover tasks and to monitor operations.

The IMAC must continuously monitor all aspects of its operation and production during the first day. The phone system will 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. The ARU/IVR will be monitored to insure that scripts have been changed and that the device is communicating properly.

Mailroom operations will be monitored to verify that mail is being received and that equipment such as OCR/ICR is functioning. The IMAC will validate that forms are correctly formatted and that there are no problems with local printing. It is also possible that the incoming MAC will be receiving shipments of files and/or equipment during the first day of operation, which will necessitate unpacking and verifying contents or storage.

The IMAC must verify and acknowledge that all Medicare files and documents that were transferred from the outgoing MAC have been received.

16.2.2 Post-Cutover Monitoring

During the weeks after cutover, the IMAC will be closely monitoring all aspects of the Medicare operation. Production cycles, inventories, call volumes, denials, suspense, rejects, and other workload indicators will be monitored to determine if there are any implementation-related production problems. The incoming 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. It should also track post-cutover performance goals to determine if any triggers have been reached that would require the implementation of 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. It will also monitor the timely mailing of checks released from the floor and 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. In addition, the incoming MAC may perform quality assurance on work flow processes and procedure adherence. Report flow and accuracy may also be examined.

The incoming 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 MAC asset that was acquired, the incoming MAC should ensure that financial arrangements are completed and that the value of the asset is entered onto the IMAC's depreciation schedule.

Daily cutover teleconferences with all participants will continue for at least the first week. The Implementation Lead will then make a determination if the daily calls will end, continue on a daily basis, or held weekly for a period of time. 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 incoming 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.

16.2.3 Workload Reporting

After cutover, CMS needs to ensure there is no degradation of service to the provider/beneficiary communities. Therefore, the incoming MAC must provide a daily workload report for at least two weeks after 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. Daily/weekly workload reporting will continue for three months after cutover unless otherwise directed by the COR or IL.

The incoming MAC should work with the IL to determine the specific workload data to be submitted. **Exhibit 12, Post-Cutover Workload Reporting Categories and Elements** shows a sample of the workload categories and the minimum workload data elements 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 all claims received, claims pending, denials, correspondence inventory, days work on hand, call volumes, call service levels, all trunks busy, and average talk time, etc. CMS may also request that the MAC submit additional performance data (e.g. audit and reimbursement, if applicable) during the post-cutover period.

When submitting post-cutover workload reports to CMS, the MAC must 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.

16.2.4 Financial Coordination

During the transition, CMS and the incoming and outgoing MACs need to reach agreement on the protocols for handling outstanding checks and the receipt of payments by the outgoing MAC after cutover. At cutover, the outgoing MAC must provide the incoming MAC with a final listing of outstanding checks, stale dated checks, and a voided check register. The agreed upon protocols for handling stop payments, voided checks, and the reissuance of old outstanding checks will be instituted. Agreement will also need to be reached 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 MAC after cutover. See **Chapter 10.7** for additional information on these situations.

16.2.5 Assisting Outgoing MAC

If the outgoing MAC's staff has been hired by the incoming MAC (or if there is a subcontracting/partnering arrangement), the outgoing MAC may request that some of its ex-employees be allowed to perform various contract closeout activities (mostly financial) that occur after the outgoing MAC has ceased operations. Usually this assistance is not that labor intensive or burdensome and incoming MACs 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 MAC for this support.

16.2.6 Access to Files and Records after Cutover

The incoming MAC may need access to the outgoing MAC's commingled records or electronic claims history that is in the process of being moved post-cutover to the incoming MAC. The outgoing MAC 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 progress. If such needs occur, the incoming and outgoing MACs will discuss the details of how such access would take place. Both

MACs will execute a Memorandum of Understanding (MOU) covering the protocols and responsibilities of each party and the associated costs. CMS must review and approve any MOU that is developed. CMS must also approve any request by a former MAC for actual access to Medicare files/records. Also see **Chapter 5.12**.

16.2.7 Project Closeout

After lessons learned activities have been completed (**Chapter 16.4** and **Chapter 16.5**) and all open issues have been resolved, a final issues log containing all encountered and resolved project issues should 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 incoming MAC shall insure that all project documentation is completed and archived. In addition, the incoming MAC may want to conduct an internal project closeout meeting with senior management.

16.3 Outgoing MAC Responsibilities

16.3.1 Operations Wrap-up

After the actual cutover, the outgoing MAC should review its Closeout Project Plan and the cutover plan/checklist to ensure that all tasks for which it has responsibility have been completed. The OMAC must also certify in writing that files that were not transferred have been destroyed in accordance with CMS requirements. In addition, the incoming MAC must verify and acknowledge that all Medicare files and documents have been transferred.

The outgoing MAC must remove its Medicare employees from CMS access and applications (**Chapter 16.3.3**). It will need to verify that terminated Medicare employees are separated from corporate network systems/email and that security measures involving access to computers (internal and external) and facilities are in place, including those individuals who will need limited access to complete final reports. The OMAC will also ensure that all checks and correspondence from the final processing cycle have been released from the mailroom. Any assets that were not transferred to the incoming MAC will need to be disposed of in accordance with the outgoing Contracting Officer's instructions.

If the incoming MAC did not take ownership of the outgoing MAC's existing toll free lines, the OMAC must ensure that the Interactive Voice Response (IVR) and Customer Service Representative (CSR) phone lines have not been disconnected during cutover. A post-cutover message should be put on the OMAC's line informing the caller of the new MAC's number. The message should remain in place for at least **30 days** following cutover.

Daily cutover teleconferences will continue for at least the first week. The Implementation Lead will then make a determination if the daily calls will continue or if a weekly meeting will be sufficient. An outgoing MAC representative should be available for the calls at least for the first week after cutover, especially if there are open

issues involving the outgoing MAC. Open issues must continue to be worked by the responsible parties until satisfactorily resolved.

16.3.2 Reporting and Financial Wrap-up

The outgoing MAC must complete all monthly and quarterly reports through the end of its Medicare contract. Certain reports will not be able to be completed until after operations have ceased at cutover. Prior to that time, the CMS Office of Financial Management will send a letter listing the final reports to be submitted and the due dates (**Exhibit 13, Sample Financial Closeout Letter**). See **Chapter 13.6** for the required reports and the activities necessary for their completion. During the post-cutover period, the OMAC will also have to process outstanding provider checks and cash receipts/cash refunds in accordance with the agreement reached with the incoming MAC (see **Chapter 13.7**).

16.3.3 Employee Access to CMS Systems

During ongoing operations, MACs have the responsibility to ensure that employee access to CMS computer systems is terminated when employees no longer perform Medicare functions that require access to those systems. Accordingly, the outgoing MAC will follow ongoing procedures and work with the appropriate CMS resources to identify employees whose access to CMS computer systems will end at cutover. Information provided will include name, user identification, location, e-mail address, and each CMS system for which the employee will no longer have access. The OMAC will also need to identify those employees that will need access to CMS computer systems for a limited period of time after cutover; e.g., staff needed to submit reports into CROWD, ART, etc. Employees requiring access in the post-cutover period will only retain that access for the applicable system(s) and for the time necessary to complete the activity. Access to other systems will be terminated at cutover. The mechanisms for handling these changes in user access are the Enterprise User Administration (EUA) and Individuals Authorized Access to CMS Computer Services (IACS). The Resource Access Control Facility (RACF) coordinator in MCMG is also involved in the process.

If outgoing MAC employees will be employed by the incoming MAC, they still must have their access to CMS systems deleted under the outgoing MAC. The incoming MAC must then request new access to CMS computer systems for those individuals previously employed by the outgoing MAC. **System access cannot be transferred from one contractor to another**. However, there may be a need for some outgoing MAC employees to retain their access to perform outgoing MAC 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 MAC submits the request to delete the old IDs, the incoming MAC can update the new IDs to the correct primary keys.

16.3.4 Disposition of Files

All records created or used in the administration of the Medicare program are property of the United States Government. The outgoing MAC 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 financial closeout functions. Any duplicate records or files shall be destroyed by the outgoing MAC and certified as such to the outgoing COR and Contracting Officer.

16.3.5 Outgoing MAC Access to Files and Records after Cutover

The outgoing MAC 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 progress. If such a need occurs, the outgoing and incoming MACs must discuss the details of how such access would take place. The incoming and outgoing MACs will execute a Memorandum of Understanding (**Chapter 5.12**) covering the protocols and responsibilities of each party and the associated costs. CMS must review and approve the MOU that is developed. CMS must also approve any request by a former MAC for actual access to Medicare files/records

16.3.6 Closeout Assessment Review Process

After cutover and before the end of the period of performance, CMS will conduct a closeout assessment review at the outgoing MAC's operational site to ensure that all Medicare data has been expunged from hardware, files, and storage facilities. CMS will be on site for a final check to ensure that all Medicare data is properly disposed of or transferred to the incoming MAC. The closeout review will focus on media sanitation, logical access controls, and data encryption.

The outgoing MAC is required to purge all hard drives that previously contained Medicare and other sensitive material. The outgoing MAC must also ensure that access IDs for previously authorized users of Medicare systems are deleted.

16.4 Lessons Learned

When implementation issues have been resolved and operations stabilized (generally 4-6 weeks after cutover), the incoming MAC will prepare a lessons learned document. It will also request other transition participants do the same. The incoming MAC should submit a draft of the template that it will use to CMS for approval prior to releasing it to the other stakeholders. The incoming MAC should conduct its internal review of the project with input from the workgroup heads and other key transition personnel.

The IMAC shall structure the lessons learned document using the standardized report format described in **Chapter 11.2.5**. It should analyze what activities were successful and why, as well as 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 incoming MAC will submit a copy of its lessons learned to the Implementation Lead.

During the closeout the outgoing MAC should maintain a list of activities that went well, problems that were encountered, and suggestions for how things could be handled differently during the next transition. CMS requests that the outgoing MAC prepare a lessons learned document covering its activities during the closeout. It is understood that the OMAC may neither have the proper personnel nor the inclination to prepare lessons learned, but CMS encourages the outgoing MAC to participate in the process. While lessons learned are normally submitted after cutover, if resources will be an issue, the OMAC may submit them prior to the actual cutover. The document should be structured using the seven elements of the CMS standardized transition status as discussed in **Chapter 14.2.5** and submitted to the COR or Closeout Lead and the incoming MAC.

CMS components and other organizations that participated in the transition will be asked to prepare lessons learned and forward them to the incoming MAC. The IMAC will then compile all of the lessons learned into a single document representing a compendium the transition activities that were successful and those that need improvement. This document will be the basis for discussion during the post-project review meeting (**Chapter 16.5** following) 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, facilitate discussion, and help expedite the meeting.

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.

CMS compiles and updates a consolidated lessons learned document that provides lessons learned from all previous MAC implementations. A copy is found in **Exhibit 14**, **Workload Transition Lessons Learned**. The most recent version of the document will be provided to the incoming and outgoing MACs 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 <u>strongly</u> suggests that the incoming MAC review this document in its entirety and incorporate applicable lessons learned into its implementation activities.**

16.5 Post-Project Review Meeting (Lessons Learned)

A post-project review meeting with the organizations that participated in the transition will be held **4-6 weeks** after cutover. The meeting will be held via teleconference and the consolidated lessons learned document developed by the incoming MAC will be the basis for meeting (**Chapter 16.4** above). The incoming MAC will have the responsibility for organizing the meeting and providing toll-free telephone lines. All key participants

(incoming and outgoing MACs, VDCs, shared system maintainers, CWF, HIGLAS, etc.) and corresponding CMS technical and contractual staff should be invited to attend.

The meeting will cover each major area of the transition and focus on the actions, methods, and processes used during the project. The overall lessons learned document developed by the incoming MAC will be the basis for meeting. Those activities that went well will 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; the discussions will help 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. If there were any changes to the consolidated lessons learned document based on discussions that occurred during the meeting, the IMAC will send a final lessons learned document to all of the participants.

Chapter 17: RISK MANAGEMENT

17.1 General

CMS has placed great emphasis on identifying and managing risks involved in a workload transition. The incoming and outgoing MACs 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 transition.

17.2 Risk Management Processes

Risk management involves the systematic process of identifying, analyzing and responding to transition risks. The incoming and outgoing MACs 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 and/or closeout. The activities listed below are the basic processes that should be followed for the management of risk during a workload transition.

17.2.1 Risk Identification

The incoming and outgoing MAC will identify which risks might affect the implementation or closeout and document the characteristics of the risk. Identification may come from experience in implementations and/or closeouts, lessons learned from other transitions, 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.

17.2.2 Risk Analysis

Risk analysis will examine each identified risk to estimate the likelihood of it happening and to predict the impact on the implementation or closeout. 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 or closeout 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.

17.2.3 Risk Response

The incoming and outgoing MAC should develop options for responding to the identified implementation or closeout risks. Options include:

- The risk could possibly be avoided by changing tasks or the schedule of the Jurisdiction Implementation Plan (JIPP) or Closeout Project Plan (CPP). 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 or closeout risks 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 either MAC's contract, the risk must be accepted. If the IMAC or OMAC 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.

17.2.4 Risk Management Plan

As required by CMS, the incoming and outgoing MACs 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 (**Chapter 1.4**);
- 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 incoming MAC will submit its risk management plan in accordance with the requirements of its contract or as directed by its COR. Generally, the incoming MAC should submit a baseline risk management plan to CMS no later than **30 days** after kickoff. This will allow time for the IMAC to obtain information from the outgoing MAC and complete at least some of its assessment/due diligence. The outgoing MAC will also submit a risk management plan in accordance with its contract or within **30 days** after kickoff.

The outgoing MAC will play an important role in the development of the incoming MAC's risk management plan. After the kickoff, the incoming MAC should meet with the outgoing MAC, as well as other organizations directly involved in the transition, to go through the risk processes and to coordinate with other risk management plans or activities.

17.2.5 Risk Monitoring

Both MACs must keep track of the identified risks throughout the transition. The MACs must monitor trigger events and ensure the execution of risk responses. Also, the MACs should evaluate the effectiveness of the responses on an ongoing basis. They 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, the MACs must periodically reassess their risk management activities. The risk management plan should be assessed at least on a biweekly basis and updated as appropriate. The update should identify any new risks along with an explanation of the changes. It should also describe the implementation of new risk responses, including mitigation strategies and contingency plans.

Chapter 18: CONTRACT TRANSITION

18.1 Background

If an incumbent Medicare Administrative Contractor is the successful offeror for a recompetition of the jurisdiction that it currently services, CMS will make a formal notification of the contract award and the MAC will begin its contract transition. A contract transition is the process of closing out an incumbent MAC's contract whose period of performance is ending (old contract) and implementing the requirements of the subsequent contract that was awarded to that MAC (new contract).

The transition from the incumbent MAC's existing Medicare contract to its newly-awarded contract will involve some of the implementation and closeout activities that are normally found in a traditional workload transition. However, in a contract transition, instead of an incoming contractor performing implementation tasks and an outgoing contractor performing closeout tasks, the incumbent MAC will be performing both. The extent of an incumbent MAC's implementation and closeout activities will be driven by the statement of work (SOW) requirements of the new contract and how much change that represents from the tasks and services that were provided under the contract that is ending.

This chapter will provide guidance to the procedures and activities that normally occur during a MAC contract transition. The amount of implementation and closeout activity required by a specific contract transition will govern the usage and applicability of the information contained in Chapters 1-17 of this handbook.

This chapter is written from the perspective of a single jurisdiction transition. However, it is possible that a MAC may be awarded a contract for a jurisdiction consolidation (e.g., Jurisdictions 5 and 6 being combined into Jurisdiction G) that includes the jurisdiction that it currently services. In this event, as the incumbent MAC for one of the jurisdictions, the MAC will conduct a contract transition for its current jurisdiction and perform workload transition implementation activities for the other jurisdiction that will be consolidated. Each of the two claims processing workloads to be consolidated will be identified as a "segment" from a project management standpoint. The Jurisdiction Implementation Project Plan (JIPP) and the Segment Implementation Project Plans (SIPPs) will be structured accordingly. There will also need to be two segment kickoff meetings, one for the contract transition and one for the workload transition.

18.2 Contract Transition Approach

Since the incumbent MAC will continue to be the Medicare claims processor for the succeeding period of contract performance, the contract transition activities that need to be performed will be substantially less than the workload transition activities required to move Medicare workload from an outgoing MAC to a new incoming MAC. For most contract transitions, administrative issues and contract modifications are the bulk of the activities that will need to be performed. The extent of contract transition activities will be driven by the new contract SOW and how much it differs from the old.

Generally, if there are numerous contract transition tasks to be performed, they will involve a change in a function (e.g., printing, mailroom), changes to an operational component (e.g., consolidation of workload at one location), or resources (e.g., personnel, facilities, equipment) that will need to be expanded or contracted. There normally will not be a need to establish workgroups like those found in workload transitions unless there are major activities to be accomplished with another stakeholder.

If the contract transition involves substantive activities involving functional changes and resources, the COR for the new contract will meet with the MAC during the kickoff meeting to discuss implementation and closeout requirements contained in this handbook and determine to what extent the requirements will be applicable to the MAC's contract transition. This may include due diligence, workgroups, additional reporting and/or meetings, JOAs, risk management, resource monitoring, testing, and communications. The incumbent MAC must work closely with the Contracting Officer's Representative to determine what tasks and activities will be necessary to successfully complete the contract transition.

18.3 Transition Organization

The incumbent MAC will need to have an individual responsible for the contract transition, either the existing MAC Project Manager or depending on the extent of the transition activities, a separate individual assigned as a Contract Transition Manager. If there are substantial implementation or closeout activities, there may also be other individuals assigned to assist the manager as part of a contract transition team.

Since there is less activity involved with a contract transition, the Contracting Officer's Representative will usually monitor the MAC's contract transition. However, a Transition Lead (TL) may be assigned to the transition if the requirements of the new contract and the subsequent changes that will occur are significant. It is also possible that the COR and/or the Contracting Officer for the newly-awarded contract will be a different individual from the one administering the old contract.

18.4 Contract Transition Kickoff

The MAC shall conduct a general kickoff meeting for its contract transition similar to the kickoff meetings for workload transitions, except on a much smaller scale. The purpose of the meeting is to go over contract issues and the related transition activities and will usually

include the post-award orientation conference (**Chapter 18.4.2**). The kickoff meeting will also help the incumbent MAC Project Manager/Contract Transition Manager and staff to identify any additional activities or tasks that will need to be incorporated into the Contract Transition Plan (**Chapter 18.5**). There also may be tasks or activities 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/effective date of contract or any transition schedule changes.

The meeting will include the Contracting Officer and Contracting Officer's Representative. There may also be a CMS Transition Lead and other CMS personnel in attendance depending on the contract requirements of the transition. Contract transitions that involve very little change will not normally have any major systems impact to CMS functional contractors (VDC, SSM, HIGLAS, CWF, PSC, etc.); however, all contractors should be invited to the kickoff meeting so that they may determine if there will be any change from the current operational environment and what, if any, involvement will be required during the project, especially at cutover. The meeting will normally be conducted via teleconference. The COR/TL will work with the incumbent MAC to develop the list of individuals/organizations that should be invited to the meeting.

18.4.1 Topics of Discussion

- CMS and MAC contract administration teams that will monitor the contract transition and/or administer the new contract;
- Major items of change for the new contract and the activities that will need to be performed; e.g., moving print functions to a subcontractor, changes to an operational or data center facility; staffing or workload affected by new contract requirements;
- Implementation schedules, cutover dates, period of performance dates (new or old contract), award date and effective award date, CLINs, and costs associated with any contract changes;
- The incumbent's transition approach and the major activities it will accomplish during the transition period;
- The extent of notification to providers and others regarding the incumbent MAC's new contract award and period of performance;
- The changes to identification, documents, files, etc., that will be necessary if there is a jurisdiction name change (e.g., J12 to JL);
- Old contract closeout requirements/issues;
- CMS project monitoring, the Contract Transition Plan (CTP), and any reporting or meeting requirements;
- Agreement on the key assumptions made in the MAC's proposal;
- Areas of immediate focus/concern; and
- Any lessons learned from previous MAC contract transitions.

18.4.2 Post-Award Orientation Conference

A post-award orientation conference between the incumbent MAC and the Contracting Officer for the new contract will normally be held as part of the contract transition kickoff

meeting. The purpose of the conference is to achieve a mutual understanding of all contractual provisions and requirements of the new contract and highlight any differences from the old contract.

The "catch-up" contract modification and updated statement of work (SOW) will usually be a major topic of discussion. The modification will take into account new or increased workloads, TDLs and CRs that need to be incorporated into the contract, new legislation or policies, and other updates and changes that have been made between the issuance of the Request for Proposals (RFP) and the operational start date of the new contract. Ideally, the "catch-up" modification should be completed prior to the operational start date, but if the implementation period is reduced because of the MAC's incumbency, operations may begin prior to the modification being executed. Other topics discussed during the post-award orientation may include changes in key personnel, the award fee plan, quality assurance procedures, special contract provisions, and any changes in the schedule or period of performance.

18.5 Contract Transition Plan (CTP)

The MAC will be required to develop and maintain a Contract Transition Plan. It will be the document that is used to close out the MAC's old contract and implement the succeeding contract. The CTP will be used by the MAC and CMS to monitor the overall progress of the transition activities. More than likely, the CTP will not be an extensive document (compared to a Jurisdiction Implementation Project Plan or Contract Closeout Plan) unless there are a large number of new operational requirements that necessitate functional, systems, or resource changes.

The CTP will incorporate the implementation approach and activities that were discussed in the incumbent's proposal, as well as any closeout activities required by the current contract or necessitated by the SOW requirements of the new contract. The MAC should prepare a draft plan to be discussed at the contract transition kickoff meeting. The CTP will be refined as the result of the kickoff meeting and subsequent discussions with other transition participants. The MAC should submit a baseline CTP within **15 days** of the effective date of contract, unless otherwise directed by the COR/TL. CMS approval is required for the CTP.

The CTP should be displayed in a project plan format and shall detail the tasks and timeframes for accomplishing the transition activities. In effect, it will be a combined Jurisdiction Implementation Project Plan and Closeout Project Plan that will cover the entire contract transition. There should be a Work Breakdown Structure (WBS) to the level commensurate with the scope of the transition project, the major task categories, and the amount of detail the incumbent MAC (or CMS) finds necessary in order to properly track and cost the activity. The CTP will be updated on an ongoing basis as directed by the COR/TL. For additional information on developing project plans, see **Chapter 5.2**.

18.6 Documentation and Meetings

The extent of the changes in the new MAC contract will drive the amount of contract transition activity; however, even a contract with limited changes will require some level of effort and activity. Therefore, the MAC will be required to develop formal project controls to help identify all required tasks, manage the project, and provide CMS with status updates. The COR/TL will work with the MAC to determine the tasks, meetings, and extent of the documentation that will be required in order for the transition to be properly monitored.

Normally, the MAC will submit a weekly status report and hold a weekly meeting to review the status of the transition. The Contract Transition Plan should be updated on the same basis as the status report, with an accompanying list of tasks that have been completed and tasks that are not on schedule. The MAC should also submit an issues log to document items that require resolution and a risk management plan may be required. Should there be a significant amount of transition activity, there may be the need for other types of monitoring and reporting such as workgroups, communications plan, testing plan, etc. If so, the appropriate sections of this handbook should be referenced.

18.7 Contractor Identification Number

The incumbent MAC will keep its existing MAC workload numbers (also known as contractor workload/ID numbers) that are used for reporting and data exchange information. **There will be no change of MAC workload numbers required for a contract transition.**

However, CMS will still prepare a Change Request (CR) to announce the new contract award, provide any change in jurisdiction identification (e.g., J12 re-designated as JL), and remind those in receipt of the CR that they must continue to accept the current existing workload numbers for the jurisdiction.

18.8 Financial Closeout

There will be a final financial accounting for the MAC's old contract. Usually, there are changes affecting the start of the new contract due to delays in the procurement process or protests. If this occurs, there will be discussions with OAGM to determine the end date of the old contract and the start date of the new contract. No accounts receivable reconciliation will be performed in a contract transition since there will be no monetary transfer to a new contractor. Closeout costs will normally be minimal and reported under the closeout CLIN. Since the MAC remains the same, there will not be any banking changes.

CMS and the MAC will discuss the financial reporting requirements and forms that will be required to properly close out the incumbent MAC's old contract. The MAC must work with the CMS Office of Financial Management and HIGLAS to understand which financial reports will be necessary and to reach agreement as to what activities need to take place. The schedule for these activities will also need to be agreed upon.

All financial cutover activities will need to be defined, documented, and shared with all involved components and contractors. Discussions should take place as soon as possible after the kickoff so that the requirements can be incorporated into the CMS Technical Direction Letter (TDL) that will be released prior to cutover (**Chapter 13.6**). Even if there are no system changes necessary, Line of Credit changes may need to be made in HIGLAS. New funding accounts may be necessary if the Treasury Department is unable to add a second Line of Credit number and amounts to existing funding accounts.

18.9 Cutover

The extent of cutover activities will be governed by the magnitude of change between the old and new contracts. Most contract transitions will not have a cutover in the workload transition sense; activities usually will be limited to the financial wrap-up of the old contract and reporting financial and operational activity on the new contract's base year CLIN. Contract transitions with limited changes will normally not require any major systems changes and there will be little, if any, impact to CMS functional contractors. As such, the IMAC will not send any notification to providers it already services regarding the award of its new contract if those providers will not experience any changes as a result of the contract transition.

However, if the differences between the two contracts are significant, there could be substantial cutover activities involving the MAC, VDC, SSM, CWF, and other functional contractors. If such is the case, the MAC will be directed to develop a separate cutover plan and follow the applicable sections of **Chapter 15, Cutover**.

Even though a contract transition may involve minimal changes, the MAC may be asked to prepare a cutover plan to show the activities and schedule for the tasks that will take place over the cutover period to close out the old contract and begin operations under the new contract. The COR/TL will discuss the level of detail appropriate for the plan. Normally, there will be no post-cutover workload reporting unless directed by the COR/TL.

It is possible that changes in the MAC's new contract will necessitate the disposition of supplies, furniture, hardware, software, equipment or other work-related items that were furnished or acquired under the terms of the old contract. The MAC may also need to return certain government furnished property (GFP) or equipment (GFE). The MAC is responsible for the disposition of property acquired by the MAC using contract funds. The disposition of assets shall be under the direction of the Contracting Officer for the old contract, who is the only CMS official who can authorize the disposition of any property.

18.10 Lessons Learned

Unless otherwise determined by the COR/IT, the incumbent MAC shall prepare a lessons learned document using the standardized report format described in **Chapter 11.2.5**. Given the extent of the lessons learned, the COR/IT may also request that the MAC schedule a post-project review meeting. The meeting will discuss what activities were

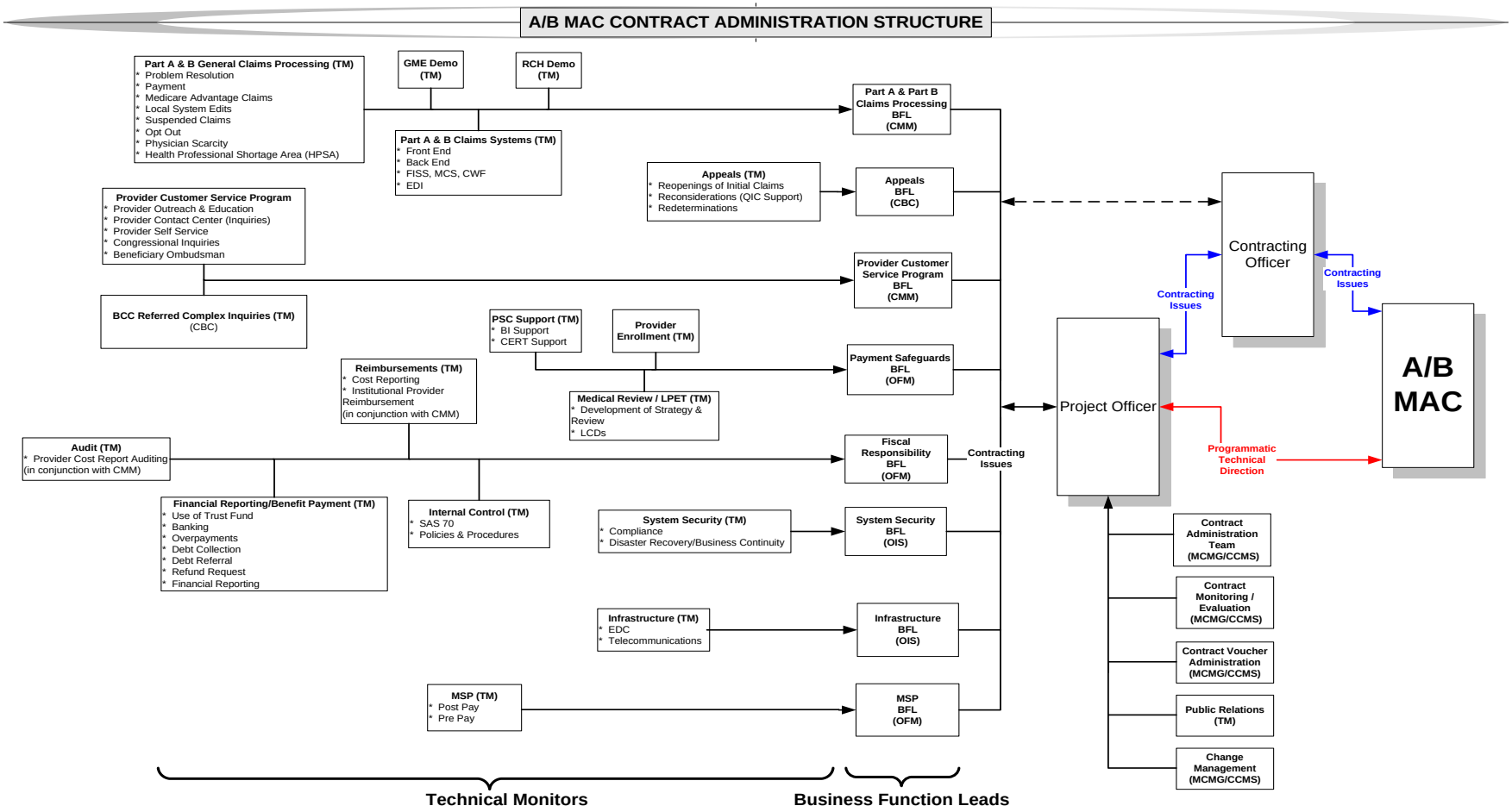
successful and why, as well as the areas that need improvement and suggested remedies. See **Chapter 16.4** and **Chapter 16.5** for additional information.

EXHIBITS

LIST OF EXHIBITS

Exhibit 1	*MAC Contract Administrative Structure*
Exhibit 2	*Major Tasks and Activities Associated with a Workload Transition*
Exhibit 3	*Requested Information/Documentation from the Outgoing MAC*
Exhibit 4	*Sample Baseline Workload Templates*
Exhibit 5	*Types of Files to be Transferred to a Medicare Administrative Contractor*
Exhibit 6	*Workload Transition Meeting and Documentation Guide*
Exhibit 7	*MAC Cutover and Workload Transfer Planning Guide*
Exhibit 8	*File and Record Transfer Plan Contents*
Exhibit 9	*Medicare Contractor Transition Electronic Transmittal Form*
Exhibit 10	*Coordination of Benefits Agreement (COBA) ACH Electronic Credit Authorization Form*
Exhibit 11	*Cutover Points of Contact for Peripheral System/Interfaces*
Exhibit 12	*Post-Cutover Workload Reporting Categories and Elements*
Exhibit 13	*Sample Financial Closeout Letter*
Exhibit 14	*Workload Transition Lessons Learned*
Exhibit 15	*Glossary*
Exhibit 16	*Acronyms*

EXHIBIT 1
MAC Contract Administrative Structure



Note: The Project Officer shown on the diagram is now designated as the Contracting Officer's Representative (COR)

Exhibit 2
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 ACQUISTION/INSTALLATION

- Requirements
- Acquisition
- Installation
- Testing

Exhibit 2
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
- Nonconforming performance/action plans
- 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

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 2
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/Joint Operating Agreements
- 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 2
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 3
Requested Information/Documentation from the Outgoing MAC

The following is a sample of Medicare information and documentation that is normally requested by an incoming MAC and must be provided in its entirety by the outgoing MAC. Not all of the documentation listed in this exhibit is applicable to every MAC.

- Copies of MSNs, Remittance Advices
- Copies of all notices and bulletins
- Outgoing MAC 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 from the outgoing MAC.
- Key contacts: beneficiary, providers, Congress, specialty groups, associations, etc.
- 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 3
Request Information/Documentation from the Outgoing MAC (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 MAC 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
- 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 MACs will normally release properly redacted copies of such documents to the incoming MAC:

- Corrective Action Plan/Action Plan 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) does not supersede any Rights in Data provision contained or referred to in the MAC solicitation or any Rights in Data clause contained or referred to in the MAC contract.

EXHIBIT 4
Sample Outgoing MAC Baseline Workload Report Templates

CLAIMS WORKLOAD REPORT – PART B

Metric	Oct '08	Nov '08	Dec '08	Jan '09	Feb '09	Mar '09	Apr '09	May '09	Jun '09	Jul '09	Aug '09	Sept '-09	Monthly Average
Part B Receipts Total													
Part B Receipts EMC													
Part B Receipts Paper													
Part B Processed Total													
Part B Processed EMC													
Part B Processed Paper													
Part B Pending Total													
Part B Pending 31-60													
Part B Pending 60+													

EXHIBIT 4
Sample Outgoing MAC Baseline Workload Report Templates (Cont.)

Claims Processing-Part A Timeliness Report

Month Ending	EMC Total	EMC Processed Beyond 30 Days	EMC Processed Timely	Percentage of EMC Processed Timely
Avg Mthly *				
Oct-08				
Nov-08				
Dec-08				
Jan-09				
Feb-09				
Mar-09				
Apr-09				
May-09				
Jun-09				
Jul-09				
Aug-09				
Sep-09				

** - Average monthly based on data from 10/01/08 thru 09/30/09.*

Claims Processing-Part B Timeliness Report

Month Ending	EMC	Other Than Clean within 45 days	Total	Percentage of EMC Processed Timely
Avg Mthly *				
Oct-10				
Nov-10				
Dec-10				
Jan-10				
Feb-10				
Mar-10				
Apr-10				
May-10				
Jun-10				
Jul-10				
Aug-10				
Sep-10				

** - Average monthly based on data from __/__/__ thru __/__/__.*

EXHIBIT 4
Sample Outgoing MAC Contractor Baseline Workload Report Templates (Cont.)

Claims Payment-Part A Report	
Month Ending	**Total Monthly Payments**
Avg Mthly	
Oct-08	
Nov-08	
Dec-08	
Jan-09	
Feb-09	
Mar-09	
Apr-09	
May-09	
Jun-09	
Jul-09	
Aug-09	
Sep-09	

Claims Payment-Part B Report	
Month Ending	**Total Monthly Payments**
Avg Mthly *	
Oct-08	
Nov-08	
Dec-08	
Jan-09	
Feb-09	
Mar-09	
Apr-09	
May-09	
Jun-09	
Jul-09	
Aug-09	
Sep-09	

EXHIBIT 4
Sample Outgoing MAC Contractor Baseline Workload Report Templates (Cont.)

Financial Receipts-Part A Report (e.g. voluntary refunds)

Month Ending	EMC	Paper	Total
Avg Mthly *	-	-	-
Oct-08	-	-	-
Nov-08	-	-	-
Dec-08	-	-	-
Jan-09	-	-	-
Feb-09	-	-	-
Mar-09	-	-	-
Apr-09	-	-	-
May-09	-	-	-
Jun-09	-	-	-
Jul-09	-	-	-
Aug-09	-	-	-

Source: FISS/HIGLAS

** - Average monthly based on data from __/__/__ thru __/__/__.*

Financial Receipts-Part B Report (e.g. voluntary refunds)

Month Ending	EMC	Paper	Total
Avg Mthly *			
Oct-08			
Nov-08			
Dec-08			
Jan-09			
Feb-09			
Mar-09			
Apr-09			
May-09			
Jun-09			
Jul-09			
Aug-09			

** - Average monthly based on data from __/__/__ thru __/__/__.*

Source: MCS

PART A & PART B Appeals Workload Report

Part A Appeals													
Part A Redeterminations	Oct 2008	Nov 2008	Dec 2008	Jan 2009	Feb 2009	March 2009	April 2009	May 2009	June 2009	July 2009	Aug 2009	Sept 2009	**Monthly Average**
Receipts													
Processed													
Pending													
Pending over 60 Days													
Part A QIC	Oct 2008	Nov 2008	Dec 2008	Jan 2009	Feb 2009	March 2009	April 2009	May 2009	June 2009	July 2009	Aug 2009	Sept 2009	**Monthly Average**
Receipts													
Effectuations													
Pending													
Pending over 60 Days													
Part A ALJ	Oct 2008	Nov 2008	Dec 2008	Jan 2009	Feb 2009	March 2009	April 2009	May 2009	June 2009	July 2009	Aug 2009	Sept 2009	**Monthly Average**
Receipts													
Effectuations													
Pending													
Pending over 60 Days													
Part B Appeals													
Part B Redeterminations	Oct 2008	Nov 2008	Dec 2008	Jan 2009	Feb 2009	March 2009	April 2009	May 2009	June 2009	July 2009	Aug 2009	Sept 2009	**Monthly Average**
Receipts													
Processed													
Pending													
Pending over 60 Days													
Part B QIC	Oct 2008	Nov 2008	Dec 2008	Jan 2009	Feb 2009	March 2009	April 2009	May 2009	June 2009	July 2009	Aug 2009	Sept 2009	**Monthly Average**
Receipts													
Effectuations													
Pending													
Pending over 60 Days													
Part B ALJ	Oct 2008	Nov 2008	Dec 2008	Jan 2009	Feb 2009	March 2009	April 2009	May 2009	June 2009	July 2009	Aug 2009	Sept 2009	**Monthly Average**
Receipts													
Effectuations													
Pending													
Pending over 60 Days													

EXHIBIT 4
Sample Outgoing MAC Baseline Workload Report Templates (Cont.)

PART A PROVIDER ENROLLMENT WORKLOAD REPORT

Month Ending	PE Applications	PE Changes	Total
Avg Mthly *			
Oct-08			
Nov-08			
Dec-08			
Jan-09			
Feb-09			
Mar-09			-
Apr-09			-
May-09			-
Jun-09			-
Jul-09			-
Aug-09			-
Sep-09			-

PART B PROVIDER ENROLLMENT WORKLOAD REPORT

Month Ending	PE Applications	PE Changes	Total
Avg Mthly *			
Oct-08			
Nov-08			
Dec-08			
Jan-09			
Feb-09			
Mar-09			
Apr-09			
May-09			
Jun-09			
Jul-09			
Aug-09			
Sep-09			

** - Average monthly based on data from __/__/__ thru __/__/__.*

CUSTOMER SERVICE PART A & PART B WORKLOAD REPORT

Part A Provider Contact Center													
Telephone Inquiries	Oct 2008	Nov 2008	Dec 2008	Jan 2009	Feb 2009	March 2009	April 2009	May 2009	June 2009	July 2009	Aug 2009	Sept 2009	**Monthly Average**
Total Calls													
Part A Provider Correspondence													
Provider Inquiries	Oct 2008	Nov 2008	Dec 2008	Jan 2009	Feb 2009	March 2009	April 2009	May 2009	June 2009	July 2009	Aug 2009	Sept 2009	**Monthly Average**
Receipts													
Processed													
Pending													
Pending over 45 Days													
Part A Beneficiary Inquires Complex													
Provider Inquiries	Oct 2008	Nov 2008	Dec 2008	Jan 2009	Feb 2009	March 2009	April 2009	May 2009	June 2009	July 2009	Aug 2009	Sept 2009	**Monthly Average**
Receipts													
Processed													
Pending													
Part B Provider Contact Center													
Telephone Inquiries	**Oct-08**	**Nov-08**	**Dec-07**	**Jan-08**	**Feb-08**	**Mar-08**	**Apr-08**	**May-08**	**Jun-08**	**Jul-08**	**Aug-08**	**Sep-08**	**Monthly**
Total Calls													
Part B Provider Correspondence													
Provider Inquiries	**Oct-08**	**Nov-08**	**Dec-07**	**Jan-08**	**Feb-08**	**Mar-08**	**Apr-08**	**May-08**	**Jun-08**	**Jul-08**	**Aug-08**	**Sep-08**	**Monthly**
Receipts													
Processed													
Pending													
Part B Beneficiary Inquires Complex													
Provider Inquiries	**Oct-08**	**Nov-08**	**Dec-07**	**Jan-08**	**Feb-08**	**Mar-08**	**Apr-08**	**May-08**	**Jun-08**	**Jul-08**	**Aug-08**	**Sep-08**	**Monthly**
Receipts													-
Processed													-
Pending													-

EXHIBIT 4
Sample Outgoing MAC Baseline Workload Report Templates (Cont.)

Month Ending	ACD Calls (Calls in CSR Queue)	Daily % Service Level 120 Sec	MTD % Service Level 120 Sec	Average Talk Time*	ATB	MTD-AVG ATB	Total Calls Answered (Calls that came into the IVR)	Completed Calls (Completed in the IVR)
Avg Mthly *								
Oct-08								
Nov-08								
Dec-08								
Jan-09								
Feb-09								
Mar-09								
Apr-09								
May-09								
Jun-09								
Jul-09								
Aug-09								
Sep-09								

Exhibit 5
Types of 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 MAC and the functions that will be performed by the incoming 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
Types of 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

Durable Medical Equipment Files (DME MAC)

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
Types of 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
Workload Transition Meeting and Documentation Guide

*Green shaded areas are meetings **or** documents that are the responsibility of **CMS**.*
*Blue shaded activities indicate meetings that are the responsibility of the **Incoming MAC.***
*Non-shaded (white) areas are documents that are to be submitted by the **Incoming MAC.***
*Red shaded areas are documents that are to be submitted by the **Outgoing MAC.***

Abbreviations:
CMS: ICO—Incoming Contracting Officer; **OCO**—Outgoing Contracting Officer; **ICOR**—Incoming Contracting Officer's Representative; **OCOR**—Outgoing Contracting Officer's Representative; **IL**—Implementation Lead; **CL**—Closeout Lead; **CAT**—Contract Administration Team; **IT**—IT Specialist; **Incoming MAC (IMAC): PM**—Project Manager; **Outgoing MAC (OMAC): CPM**—Closeout Project Manager; **Functional Contractors: VDC—**Virtual Data Center; **SSM**—Shared System Maintainer; **CWF—**Common Working File Contractor; **HIGLAS—**HIGLAS; **ZPIC**—Zone Program Integrity Contractor (Program Safeguard Contractor); **BCC**—Beneficiary Call Center; **QIC**—Qualified Independent Contractor; **RA**—Recovery Auditor; **CEDI**—Common Electronic Data Interchange Contractor (DME); **NSC**—National Supplier Clearinghouse (DME); **PDAC**—Pricing Data Analysis and Coding Contractor (DME).

No.	Activity	Description	Purpose	Frequency	Media	Audience	Responsibility	Ref.
1.	*Contact List for Transition Activities.*	*Current list of CMS and functional contractors and organizations that should be invited to attend the kickoff.*	*A base document provided to IMAC so that it can be completed with incoming and outgoing MAC contacts. When list completed, used by IMAC as a distribution list for kickoff invitation.*	*One time*	*List via electronic mail.*	*IMAC Project Manager*	*CMS Implementation Lead*	*4.7.1*
2.	*Post-Award Orientation Conference.*	*1-2 hour meeting.*	*To review contract provisions, CMS contract administration, and invoicing.*	*One-time meeting 10-15 days after contract award or effective date of contract.*	*Face-to-face meeting or teleconference.*	***CMS**: ICO, ICOR, IL**; IMAC:** PM, Project Team.*	*CMS Incoming MAC Contracting Officer.*	*4.7.5*

No.	Activity	Description	Purpose	Frequency	Media	Audience	Responsibility	Ref.
3.	*Incoming MAC Pre-Meeting.*	*2-3 hour meeting.*	*To review CMS's project expectations and requirements, discuss issues that have arisen since award, and make final preparations for Jurisdiction Kick-off Meeting*	*One-time meeting held prior to Jurisdiction Kickoff Meeting*	*Face-to-face meeting.*	***CMS:** ICOR, IL, IT, Transition team**;** **IMAC**: PM and Project Team.*	*CMS Transition team.*	*4.7.2*
4.	*Outgoing MAC Pre-Meeting.*	*2-3 hour meeting.*	*To review the upcoming jurisdiction transition, contract closeout, CMS expectations, contractor-specific financial issues, and other items.*	*One-time meeting usually held prior to the general kickoff meeting.*	*Face-to-face meeting.*	***CMS**: OCO & OCOR, CAT**;** **Outgoing MAC**: CPM, Closeout Project Team.*	***CMS:** OCO, OCOR, CL.*	*4.7.3*
5.	*Jurisdiction Kickoff Meeting Notice.*	*Invitation to attend the Jurisdiction Kickoff Meeting along with the purpose of the meeting.*	*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.*	*Sent to potential attendees approximately 2 weeks prior to the scheduled meeting.*	*Memo via electronic mail.*	***CMS:** Transition team, internal components**; IMAC; OMAC;** all involved functional contractors**;** other stakeholders.*	*IMAC Project Manager*	*4.7.1*
6.	*Jurisdiction 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. Due 3 days prior to meeting.*	*Memo via email.*	***CMS:** ICO, OCO, ICOR, OCOR, IL, CL, CAT, HIGLAS, internal components**;** **IMAC:** PM and Project Team**;** **OMAC:** CPM and Team**; VDC; SSM; CWF; ZPIC; HIGLAS; BCC; QIC; CEDI; NSC; PDAC;** etc.*	*IMAC Project Manager with CMS input.*	*4.7.1*

No.	Activity	Description	Purpose	Frequency	Media	Audience	Responsibility	Ref.
7.	*Jurisdiction Kickoff Meeting.*	*1 day meeting*	*To review the upcoming IMAC jurisdiction implementation and associated outgoing MAC closeout activities.*	*One-time meeting scheduled within 30 days of contract award or effective date of contract.*	*Face-to-face meeting with telecom-ference capability.*	***CMS:** ICO, OCO, ICOR, OCOR, IL, IT, CL, Transition Team**;** **IMAC:** PM and Project Team**;** **OMAC:** CPM and Project Team**; VDC; SSM; CWF; ZPIC; HIGLAS; QIC; BCC; RA; CEDI; NSC; PDAC;** etc.*	*IMAC Project Manager.*	*4.7.4*
8.	*Jurisdiction Kickoff Meeting Documentation.*	*Minutes, record of discussion, issues/ action items.*	*To document the discussion and issues/action items from the jurisdiction kickoff meeting.*	*3 days following meeting.*	*Memo via electronic mail.*	*All attendees.*	*IMAC Project Manager.*	*4.7.4.5*
9.	*Jurisdiction Tran-sition Attendance/ Contact/Distribution List.*	*List of kickoff meeting attendees and others to be involved in the project.*	*To ensure that appropriate transition personnel can be reached as needed throughout the transition.*	*Update and distribute as changes are made.*	*Spread-sheet via electronic mail*	*All Jurisdiction Kickoff Meeting attendees and others identified to be involved in the transition.*	*IMAC Project Manager.*	*4.7.4.5*
10.	*Deliverables List.*	*List of documents, information, files, etc. requested by IMAC to be provided by the OMAC.*	*To facilitate the transition from the outgoing MAC to the incoming MAC.*	*Development begins at contract award. Maintained and updated throughout the implementation.*	*Memo via electronic mail.*	***OMAC:** CPM**;** **CMS:** Incoming & Outgoing COR, Implementation Lead, Closeout Lead.*	*IMAC Project Manager.*	*5.10, 12.12*

No.	Activity	Description	Purpose	Frequency	Media	Audience	Responsibility	Ref.
11.	*Comprehensive Transition Workgroup Schedule/Calendar/ Contact List.*	*Document in calendar format showing all work-groups, 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:** ICOR, OCOR, IL, CL**;** Transition team**; IMAC:** Project Manager**; OMAC:** Closeout Project Manager**;** all workgroup members.*	*IMAC Project Manager*	*4.8.5*
12.	*Transition Workgroup Agenda.*	*Standardized outline of work-group topics with dial-in telecom-ference 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,CL**; IMAC:** PM**; OMAC:** CPM**;** all workgroup members.*	*Workgroup Head.*	*4.8.5*
13.	*Transition Workgroup Meetings.*	*Meetings for the various functional workgroups.*	*To monitor transition tasks and issues of the functional area for which the work-group has responsibility.*	*Weekly meetings throughout the jurisdiction transition*	*Telecon-ference*	*All workgroup members.*	*Workgroup Head.*	*4.8.*
14.	*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 mem-bers**; all** other work-group heads**; CMS:** IL, CL**; IMAC:** PM**; OMAC:** CPM.*	*Workgroup Head.*	*4.8.5, 11.2.6*
15.	*Baseline Workload Templates.*	*Monthly workload in various operational areas for 12 months prior to the kickoff.*	*To establish a workload baseline for monitoring closeout operations and progress. Also document-tation for analysis and use in the post-cutover period.*	*Submitted no later than 15 days after the kickoff meeting and monthly until cutover.*	*Distributed via electronic mail.*	***CMS**: ICOR, OCOR, CL,IL.**; IMAC**: PM*	*Outgoing MAC Closeout Pro-ject Manager.*	***7.2.2.3, 12.5, Exhibit 4***
16.	*Change Request (CR) for New Contractor Workload Numbers.*	*Standard format Change Request for workload number change.*	*To inform all designated components and functional contractors of the workload number change due to the implementation of a new MAC.*	*Submitted as soon as possible after cutover dates have been agreed upon.*	*Standard Change Request process (ECHIMP).*	***CMS:** all internal components**; IMAC; OMAC:** CPM**;** all functional contractors.*	*IT Specialist.*	*5.8*

No.	Activity	Description	Purpose	Frequency	Media	Audience	Responsibility	Ref.
17.	*Jurisdiction Implementation Project Plan (JIPP).*	*Project plan listing major tasks/subtasks required for the IMAC jurisdiction implementation, along with dates, duration, dependencies, and responsible parties.*	*To document all actions required for the IMAC jurisdiction implementtation, 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.*	*Submitted in accordance with RFP or CMS. Baseline document developed within 30 days after kickoff.*	*Electronic. Project management software in, or convertible to, MS Project, MS Excel, or PDF format.*	***CMS:** ICO, ICOR, OCOR, IL**; IMAC:** PM**; OMAC:** CPM.*	*IMAC Project Manager. Input from all involved entities necessary for baseline JIPP. Baseline JIPP approved by CMS.*	*5.2, 11.2.1*
18.	*Jurisdiction Implementation Project Plan (JIPP) Update.*	*Current information on the JIPP regarding project tasks, start/finish dates, dependencies, and completion percentage, including a list of tasks completed and off schedule.*	*To provide up-to-date information regarding all project tasks. This will allow the IMAC Project Manager and all involved parties to effectively monitor and manage the overall project to ensure completion as scheduled.*	*Weekly. Submitted with the Implementation Project Status Report.*	*Electronic. Project management software in, or convertible to, MS Project, MS Excel, or PDF format.*	***CMS:** ICOR, OCOR, IL**; IMAC:** PM**; OMAC:** CPM.*	*IMAC Project Manager.*	*11.2.2*
19.	*Closeout Project Plan (CPP).*	*Project Plan listing major tasks/subtasks required for contract closeout activities.*	*To document all actions required for closing out the outgoing MAC's contract with start/end dates and dependencies in order to monitor progress and ensure completion of all closeout activities. Coordinated with JIPP.*	*Submitted within 15 days after kickoff meeting.*	*Electronic. Project management software in, or convertible to, MS Project, MS Excel, or PDF format.*	***CMS**: OCO, OCOR, CL, IL**; IMAC**: PM.*	*OMAC Closeout Project Manager.*	*12.3; 14.2.1*

No.	Activity	Description	Purpose	Frequency	Media	Audience	Responsibility	Ref.
20.	*Closeout Project Plan Update.*	*Current information on the project plan regarding tasks, start/finish dates, dependencies, and completion percentage, including a list of tasks completed and off schedule.*	*To provide up-to-date information regarding all project tasks. This will allow CMS to effectively monitor and manage closeout activities to ensure completion as scheduled.*	*Weekly. Submitted with the Closeout Project Status Report.*	*Electronic. Project management software in, or convertible to, MS Project, MS Excel, or PDF format.*	***CMS**: OCO, OCOR, CL, IL**; IMAC**: PM.*	*OMAC Closeout Project Manager.*	*14.2.2*
21.	*Implementation Project Status Report.*	*Narrative of implementation 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 jurisdiction implementation.*	*Weekly at least 2 days prior to Implementation Project Status Meeting.*	*Memo via electronic mail.*	***CMS:** ICO, ICOR, OCO, OCOR, IL**; IMAC:** PM, workgroup heads**;** all other attendees of the Jurisdiction Kickoff Meeting/Contact List.*	*IMAC Project Manager.*	*11.2.5*
22.	*Closeout Project Status Report.*	*Narrative description of Outgoing MAC accomplishments, issues, action items,upcoming activities.*	*To communicate progress and performance against the Closeout Project Plan and provide workload and staffing information.*	*Weekly at least 2 days prior to the Project Status Meeting.*	*Memo via electronic mail.*	***CMS**: OCOR, ICOR, CL, IL**; IMAC**: PM**;** Workgroup heads.*	*OMAC Closeout Project Manager.*	*14-2-5*
23.	*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:** ICO, OCO, ICOR, OCOR, IL, CL**; IMAC:** PM, workgroup heads**; OMAC:** CPM**;** all other attendees of the Jurisdiction Kickoff Meeting/Contact List.*	*IMAC Project Manager.*	*11.1.6*

No.	Activity	Description	Purpose	Frequency	Media	Audience	Responsibility	Ref.
24.	*Project Status Meeting.*	*1-2 hour general status meeting.*	*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 Jurisdiction Implementation Project Plan (JIPP).*	*Weekly*	*Conference call. Possible face-to-face meeting with tele-conference capability*	***CMS:** ICO, OCO, ICOR, OCOR, IL, CL**; IMAC:** PM, workgroup heads**; OMAC:** CPM**;** all other attendees of the Jurisdiction Kickoff Meeting/Contact List.*	*IMAC Project Manager.*	*11.1.6*
25.	*Project Status Meeting Documentation.*	*List of attendees, discussion items, action items.*	*To provide a record and document the issues/action items from the weekly project status meeting.*	*3 days after meeting.*	*Memo via electronic mail.*	*All attendees.*	*IMAC Project Manager.*	*11.1.6*
26.	*Incoming MAC Weekly Management Update Meeting.*	*1hour meeting with IMAC Implementation Project Director*	*To have a frank and open discussion of IMAC activities & issues, provide additional details/clarifications, & answer questions.*	*Weekly.*	*Teleconference.*	***CMS:** IL, CAT team members**; IMAC:** Implementation Project Director.*	*Implementation Lead*	*11.1.5*
27.	*Outgoing MAC Weekly Management Update Meeting (if required).*	*1 hour meeting with OMAC Project Director.*	*To discuss the status of closeout activities and any problems or issues that may affect ongoing operations.*	*Weekly or as needed.*	*Teleconference.*	***CMS:** OCOR, CL**; OMAC:** Program or Project Director*	*OCOR or Closeout Lead*	*14.1.6*
28.	*Master Issues Log/ Action Items.*	*Comprehensive list that documents issues/action items for the jurisdiction including ID, date created, description, responsible party, status, date of resolution. Accumulated from the various workgroups.*	*To track transition issues and action items related to the project. Will be reviewed during the project status meeting.*	*Reviewed weekly and updated as required. Submitted with the weekly Implementation Project Status Report.*	*Distributed by electronic mail.*	***CMS:**ICOR, OCOR, IL, CL**; IMAC:** PM**;** workgroup heads**; OMAC:** CPM**; VDC; SSM; ZPIC; QIC; BCC; CEDI; NSC; PDAC;** etc.*	*IMAC Project Manager.*	*11.2.7*

No.	Activity	Description	Purpose	Frequency	Media	Audience	Responsibility	Ref.
29.	*Outgoing MAC Issues Log/Action Items.*	*List of issues/ action items that pertain solely to outgoing MAC closeout activities.*	*To track any closeout issues related solely to the outgoing MAC that are not monitored through the incoming MAC's master issues log/action items.*	*Reviewed weekly and updated as required. Submitted with the biweekly Closeout Project Status Report.*	*Distributed by electronic mail.*	***CMS:** OCOR, CL.*	*Outgoing MAC Closeout Project Manager.*	*14.2.6*
30.	*Communication Plan*	*A description and detailed schedule of how the IMAC will educate and keep all transition stakeholders informed of the progress of the implementation and how any changes may affect them.*	*To monitor communication activities and schedules for the jurisdiction.*	*Communication plan submitted as directed by CMS. Baseline plan due within 30 days after contract award/ effective date of contract.*	*Distributed by electronic mail.*	***CMS:** IL; **IMAC:** PM; **OMAC:** CPM.*	*IMAC Project Manager with input from OMAC.*	*8.2 11.2.10*
31.	*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; **IMAC:** PM; **OMAC:** CPM.*	*IMAC Project Manager.*	*10.2.11*
32.	*Test Plan.*	*A specific and detailed description of the resources, types of tests and schedule for the jurisdiction.*	*To monitor the testing of the IMAC's claims processing system and operational environment prior to cutover.*	*A baseline test plan developed within 30 days of kickoff meeting or as directed by IL.*	*Distributed by electronic mail.*	***CMS:** IL; **IMAC:** PM; appropriate workgroup heads.*	*IMAC Project Manager.*	*9.2, 11.2.8*

No.	Activity	Description	Purpose	Frequency	Media	Audience	Responsibility	Ref.
33.	*Test Plan Update.*	*Update on testing activities and schedules.*	*To track schedule progress and provide current information on testing.*	*Updated on a bi-weekly basis and submitted with the Implementation Project Status Report.*	*Distributed by electronic mail.*	***CMS:** IL**; IMAC:** PM**;** appropriate workgroup heads.*	*IMAC Project Manager.*	*11.2.9*
34.	*Risk Management Plan.*	*A plan that identifies and analyzes jurisdiction risks, prioritizes them, and provides mitigation strategies and contangency plans.*	*To assist in managing and monitoring risks and mitigation activities.*	*Submitted as directed by RFP ICOR. Baseline document due 30 days after contract award/ effective date of contract.*	*Distributed by electronic mail.*	***CMS:** IL**; IMAC:** PM.*	*IMAC Project Manager.*	*11.2.12, 17.2.4*
35.	*Risk Management Plan Update.*	*Update to risks based on periodic assessment or changed conditions.*	*To have up-to-date mitigation strategies and contingencies based on changes to the implementation environment.*	*As necessary, but at least monthly. Submitted with Implementation Project Status Report.*	*Distributed by electronic mail.*	***CMS:** IL**; IMAC:** PM.*	*IMAC Project Manager.*	*11.2.13*
36.	*Closeout Risk Management Plan.*	*A plan that identifies and analyzes closeout risks, prioritizes them, and provides mitigation strategies and contingency plans.*	*To assist in managing and monitoring risks and mitigation activities.*	*Completed within 30 days of kickoff.*	*Distributed by electronic mail.*	***CMS**: ICOR, OCOR, IL, CL**; Incoming MAC**: PM.*	*Outgoing MAC Closeout Project Manager.*	*14.2.3, 17.2.4*

No.	Activity	Description	Purpose	Frequency	Media	Audience	Responsibility	Ref.
37.	*Closeout Risk Management Plan Update*	*Update to risks based on periodic assessment or changed conditions.*	*To have up-to-date mitigation strategies and contingencies based on changes to the implementation and closeout environments.*	*As necessary, but at least monthly. Submitted with the Closeout Project Status Report.*	*Distributed by electronic mail.*	***CMS:** ICOR, OCOR, IL, CL**; Incoming MAC**: PM.*	*Outgoing MAC Closeout Project Manager.*	*14.2.4*
38.	*Employment Report.*	*A report of IMAC 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**; IMAC:** PM.*	*IMAC Project Manager.*	*6.1.3*
39.	*Workload Report.*	*Operational statistics from various outgoing MAC functional areas. Actual monthly totals will be displayed against estimated monthly workload goals.*	*To assist CMS and the incoming and outgoing MACs in assessing progress and to allocate resources or modify transition activities if workload goals are not being met.*	*Weekly with monthly totals shown against estimated monthly workload goals.*	*Distributed by electronic mail.*	***CMS**: OCOR, IL, CL**; IMAC**: PM.*	*Outgoing MAC Closeout Project Manager.*	*12.14.3.3 14.2.8*
40.	*Staffing Report.*	*Outgoing MAC report of staffing levels by function with any changes and reasons for changes.*	*To allow CMS to monitor staff attrition of the outgoing MAC and take any necessary actions based on staff losses.*	*Weekly.*	*Distributed by electronic mail.*	***CMS**: OCOR, IL, CL**; IMAC**: PM.*	*Outgoing MAC Closeout Project Manager.*	*14.8*

No.	Activity	Description	Purpose	Frequency	Media	Audience	Responsibility	Ref.
41.	*Asset Inventory.*	*A list of outgoing MAC assets acquired to perform claims processing functions under its Medicare contract.*	*To inventory assets for the purpose of determining disposition so that the financial closeout of the Medicare contract can be accomplished. Assets may be sold, donated, transferred, or destroyed.*	*As soon as possible after notice of new MAC contract award.*	*Distributed by electronic mail.*	***CMS**: ICO, OCO, ICOR, OCOR, IL, CL**; IMAC**: PM.*	*Outgoing MAC Closeout Project Manager.*	*6.4, 12.13, 14.2.10*
42.	*BCRC Coordination Meeting*	*Assessment of participants' readiness for upcoming cutover.*	*To insure that information and activities are coordinated so that the complementary credit process will take place correctly and proper BCRC payments are directed to the incoming MAC.*	*One time meeting scheduled approximately one month prior to cutover.*	*Distributed by electronic mail.*	***CMS:** IL,CL**; IMAC:** PM**; OMAC:** CPM**; BCRC**.*	*IMAC Project Manager*	*10.6, 11.1.8, 14.1.7*
43.	*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 MAC are captured and tracked.*	*Submitted at least 45 days prior to the cutover date.*	*Distributed by electronic mail.*	***CMS:** ICOR, OCOR, IL, CL**; IMAC:** PM**; OMAC:** CPM**; VDC; SSM; CWF; HIGLAS; ZPIC; BCC; QIC; CEDI; NSC; PDAC;** etc.*	*IMAC Project Manager.*	*15.3 11.2.17*
44.	*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 cutover period (10-14 days prior to cutover.)*	*Distributed by electronic mail.*	***CMS:** ICOR, OCOR, IL, CL**; IMAC:** PM**; OMAC:** CPM**; VDC; SSM; CWF; HIGLAS; ZPIC; BCC; QIC; CEDI; NSC; PDAC;** etc.*	*IMAC Project Manager.*	*11.2.17*

No.	Activity	Description	Purpose	Frequency	Media	Audience	Responsibility	Ref.
45.	*Cutover Meeting.*	*Status meeting generally one-half to one hour in length.*	*To review the Cutover Plan and progress of activities, including action items, concerns, risks, and contingencies.*	*Daily during the cutover period (10-14 days prior to cutover) and continuing at least one week after cutover.*	*Telecon-ference.*	***CMS:** ICOR, OCOR, IL, CL**; IMAC:** PM**; OMAC:** CPM**; VDC; SSM; CWF; HIGLAS; ZPIC; BCC; QIC; CEDI; NSC; PDAC;** etc.*	*IMAC Project Manager.*	*11.1.10, 14.1.9, 15.4*
46.	*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 Cutover Meeting.*	*IMAC Project Manager.*	*15.4*
47.	*EDI Progress Report.*	*Daily report of numbers and percentages of providers completing EFT/EDI/DDE processes.*	*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.*	*Weekly. Daily beginning with the start of the cutover period (10-14 days prior to cutover).*	*Memo via electronic mail.*	***CMS:** IL**; IMAC:** PM**; OMAC:** CPM.*	*IMAC Project Manager.*	*11.2.14*
48.	*File Inventory.*	*An inventory of all Outgoing MAC files to be trans-ferred to the In-coming MAC with a description and location.*	*Used for CMS review and to develop the file transfer plan.*	*Draft due 45 days prior to cutover. Finalized during the cutover period*	*Distributed by electronic mail.*	***CMS**: ICOR, OCOR, IL, CL**; IMAC**: PM.*	*Outgoing MAC Closeout Project Manager.*	*7.7 12.22*

No.	Activity	Description	Purpose	Frequency	Media	Audience	Responsibility	Ref.
49.	*File Transfer Plan.*	*Description of Medicare files and records to be transferred by type, how and where they will be moved, and schedule.*	*To assist CMS in monitoring file preparations and the relocation of files.*	*Draft due 30 days prior to cutover. Finalized during the cutover period.*	*Distributed by electronic mail.*	***CMS:** IL, CL**; IMAC:** PM**; OMAC:** CPM.*	*IMAC Project Manager with input from OMAC.*	*11.2.16, 15.11.2, Exhibit 7, Exhibit 8*
50.	*Go/No-Go Decision Meeting*	*An optional meeting to assess any impediments to the established cutover schedule.*	*To assist CMS in determining whether to proceed with the final cutover or delay because of unanticipated problems/ issues with the implementation.*	*Optional one-time meeting 7-14 days prior to scheduled cutover.*	*Telecon-ference.*	***CMS:** ICOR, OCOR, IL, CL**; IMAC:** PM**; OMAC:** CPM**; VDC; SSM; CWF; HIGLAS;** all parties directly involved in the cutover process.*	*IMAC Project Manager with input from CMS.*	*11.1.9*
51.	*Upcoming Cutover Reminder*	*A cutover reminder to all CMS components and functional contractors*	*A reminder so that components and contractors can check to ensure that everything is completed and in place for the upcoming cutover.*	*Two reminders: one month prior to cutover and two weeks prior to cutover.*	*Distributed by electronic mail.*	*All CMS components and interface con-tractors involved in the transition and listed on contact/ distribution list.*	*IMAC Project Manager or VDC.*	*11.2.18, Ex. 11*
52.	*Cutover Daily Update Report*	*Short synopsis of the day's cutover accomplishments and any issues.*	*To provide a summary to CMS of each day's activities and the status of the cutover, any problems that have arisen, and cor-rective actions that are taking place.*	*Daily over the cutover weekend.*	*Distributed by electronic mail.*	***CMS:** IL, ICOR, CL.*	*IMAC Project Manager.*	*11.2.19*

No.	Activity	Description	Purpose	Frequency	Media	Audience	Responsibility	Ref.
53.	*Post-Cutover Workload Report.*	*Operational statistics from production, including claims, correspondence, appeals, and customer service. Format and content specified by CMS.*	*To aid in monitoring operations and implementation issues in the post-cutover period.*	*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:** ICOR, IL**;** **IMAC:** PM.*	*IMAC Project Manager.*	*11.2.20*
54.	*Post Project Review (Lessons Learned).*	*A compilation of transition successes and areas that could be improved.*	*To document lessons learned and suggested improvements for the next 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. IMAC will compile its lessons learned with those from other involved parties into a single document and distribute 1 week prior to the Post-Project Review Meeting.*	*Distributed by electronic mail.*	***CMS:** ICOR, OCOR, IL, CL**; IMAC:** PM**; OMAC:** CPM**; VDC; SSM; CWF; PSC; BCC; QIC; CEDI; NSC; PDAC;** etc.*	*IMAC Project Manager with input from project leads of all parties involved in the transition.*	*11.2.21, 16.4*
55.	*Post Project Review (Lessons Learned).*	*A list of closeout lessons learned discussing items of note, successes and areas that could be improved.*	*To document lessons learned and improvements to the transition process.*	*One-time. Due 4-6 weeks after cutover. Comments from all participants will be combined by IMAC into a single document and discussed at Post-Project Review Meeting.*	*Distributed by electronic mail.*	***CMS** : OCOR, CL **; IMAC** : PM*	*Outgoing MAC Closeout Project Manager.*	*14.2.13, 16.4*

No.	Activity	Description	Purpose	Frequency	Media	Audience	Responsibility	Ref.
56.	*Post-Project Review Meeting (Lessons Learned).*	*3-4 hour meeting.*	*To discuss transition practices that worked well and areas for improvement for future transitions.*	*One time. Approximately 4- 6 weeks following cutover.*	*Teleconfer-ence or possible face-to-face meeting.*	***CMS:*** *ICOR, OCOR, IL, CL****; IMAC:*** *PM, workgroup heads****; OMAC:*** *CPM****; VDC; SSM; CWF; PSC; BCC; QIC; CEDI; NSC; PDAC;*** *etc.*	*IMAC Project Manager.*	*11.1.11 16.5*

EXHIBIT 7
MAC Cutover and Workload Transfer Planning Guide
April 2014

Introduction

The purpose of this document is to provide the incoming MAC with information that will require consideration during the planning stages of production simulation, cutover implementation and file transfer. The document consolidates some critical items from the MAC Implementation Handbook as well as lessons learned from previous implementations. This document is not intended to replace those documents but instead is meant to serve as a reference document.

Initial Planning activities

Shortly after kickoff, the incoming and outgoing MACs along with the VDC should begin discussing and planning for some key activities. Discussions should include the number of dark days needed, the outgoing MAC's current payment cycle and the financial reporting closeout activities which include when the outgoing MAC's final payment cycle will occur. The need and the timing of these activities should be determined and agreed upon prior to production simulation so that testing and validation can occur to prevent issues during the production cutover. Details for each are described below:

- Dark days - the number of dark days will usually be determined by the type of workload being transferred. Most workload cutovers will only require one dark day; however, there may be circumstances surrounding the implementation that could necessitate an additional dark day(s). The decision on the number of days should be made early to allow time for CMS approval. In addition, it is a good approach for the incoming and outgoing MACs to request and receive approval for one contingent dark day, even in cases where it appears that a dark day may not be needed. The contingent dark day ensures that there is adequate time for all work that needs to be completed including all non-HIGLAS contractor conversion activities particularly when there is an VDC IPL which may take 4 to 8 hours of time away from the cutover activities. If the contingent dark day is not needed, then the incoming and outgoing MACs can notify providers via website and/or listserv.

    - Last financial cycle for the outgoing MAC - the incoming and outgoing MAC should pay particular attention to the cutover date and the 'go live' date when determining the last financial cycle for the outgoing MAC. If it is determined that the outgoing MAC'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 them provide separate financial reporting for those days. In addition, the incoming and outgoing MACs and the VDC 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.

- Shared UAT/production environment(s) - In situations where the incoming MAC is requesting to take over the outgoing MAC's existing CICS UAT and/or production regions, transition stakeholders (with CMS input) need to carefully consider the added risks associated with a shared UAT environment. Once a decision is made to share the regions, the incoming MAC should take immediate action to coordinate region access and maintenance with the outgoing MAC. Refer to the MAC Implementation Lessons Learned for the key areas/activities that should be addressed and documented.

- MSN Message Coordination - In implementations where the CCP software is used, the impact of changes from the outgoing MAC's numerical MSN messages to those of the incoming MAC must be considered. Beginning at the kick-off meeting, careful planning is needed to determine how to handle this. The incoming and outgoing MACs, VDC, and SSM should have discussions on how the messages will be cross walked and the best options available to ensure the correct messages are displayed post cutover. . Details specific to Part A and B are as follows:

- Part A: In most instances, MSN messages are consistent for all of the contractors, but the incoming and outgoing MACs, SSM, and VDC should have discussions early on in the implementation to determine if an MSN release or cross walk is necessary.

- Part B: Ordinarily, releasing of the MSNs in the outgoing MAC's final cycle is not recommended since large workloads could slow down cycle time considerably and jeopardize other cutover activities. Also, this would not eliminate print file errors on some MSNs since there is a transaction file in the final cycle that would be processed by the MAC and not the outgoing MAC. At the start of the implementation, the incoming and outgoing MACs, VDC and the MCS maintainer should discuss the feasibility of releasing the MSNs. If it is determined that the release of the MSNs is not feasible, the MCS maintainer has developed an MSN cross walk process. The incoming and outgoing MACs will need to work with the SSM and the VDC to ensure that the outgoing MAC messages are cross walked to the appropriate incoming MAC messages at cutover to avoid any print errors.

- If it is determined that the MSNs should be released with the final outgoing contractor cycle, the incoming MAC will need to have a thorough understanding of the method being used by the outgoing MAC for releasing MSNs (i.e., HIC or Zip Code) in order to assess the potential need for changes to the current process. Generally, the VDC will run the outgoing MAC's last no-pay MSN cycle as

scheduled prior to cutover. The incoming MAC needs to discuss with the VDC and determine the process to be used post-cutover.

- 1099 Planning: For large workload implementations where a HIGLAS rename is involved, it is possible that the 1099 jobs could run long and possibly delay other weekend cutover activities. The incoming and outgoing MACs should discuss and determine if it is feasible to begin 1099 closeout activities on the Friday of cutover weekend.

- AP Mailroom Factor: During implementations involving a HIGLAS rename, the MAC should refer to the HIGLAS Rename Baseline Plan and related notes in order to evaluate the outgoing MAC's current mailroom factor and determine if a change is necessary. The incoming MAC should hold early discussions with the HIGLAS team and all other stakeholders about the mailroom factor differences, the possible need for pay-through dates and dark day(s). All necessary HIGLAS tasks should be incorporated into the production cutover plan.

Determine Stop Work Dates

Pre-planning also needs to begin prior to the stop work date discussions that take place within the individual workgroups. It is critical to establish key dates for the major functions/tasks that drive the overall stop work process. The chart below outlines the key items that need to be discussed and agreed upon by both the incoming MAC and outgoing MAC Project Management Teams 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 (i.e., 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. A template has been developed for the incoming MAC's use and is attached at the end of this document as Appendix A.

It should be noted that some of these dates may require CMS approval and/or may not be firmed up until after production simulation (i.e., number of dark days increase/decrease); therefore the incoming and outgoing MACs should do their best to estimate these dates until the final dates are established. The incoming MAC should develop the timeline for the initial stop work dates with input from the outgoing MAC. Together, they will finalize and approve the document that details the department-specific stop work dates well in advance of the dates that work is scheduled to stop. If key dates on the timeline change, the incoming MAC should distribute the revised timeline to all workgroups so they can adjust their stop work dates accordingly

Task	Day of Week/Date
Last day to scan paper claims	
Last day to scan correspondence	
Last day to scan provider enrollment applications	
Last day to send claims to OCR (if applicable)	
Last day to establish new EDI user/submitter IDs or make changes to existing user/submitter IDs	
Last day to initiate adjustments/reopenings	
Last day to initiate mass adjustments	
Last day to apply checks	
Last day to deposit checks (if applicable)	
Date OMAC lock box closes (if applicable)	
Last day/cutoff time for the OMAC to accept EMC claims	
Last cycle date for OMAC	
Dark day(s)	
Cutover day	
Go Live day	
First IMAC payment cycle	

Production Simulation

It is recommended that the incoming MAC conduct a production simulation prior to the actual cutover. The purpose of the simulation is to further validate the processes, jobs, estimated completion times and to allow time to identify and correct problems prior to the actual production cutover. The simulation will require the development of a Production Simulation Plan. The plan will be developed by the incoming MAC or the VDC and will include input from all stakeholders, especially the incoming and outgoing MACs, VDC and SSM. The simulation activities will also help to 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, 835 generation, etc.) so that they may be corrected. It will also help ensure that all NDM jobs are identified and all associated programming changes are completed at the time of cutover.

Weekends are the best time to conduct production simulations; however, VDC and telecommunications down times must be considered when determining the schedule. The incoming MAC should schedule the production simulation far enough in advance of the production cutover to ensure testing can be completed timely. Cutover simulations should occur in test regions that best reflect the production regions. All issues identified during production simulation should be added to an issues log and monitored through to resolution.

When production simulation is not conducted, the production cutover planning process is more complicated and time consuming. The incoming MAC will need to be prepared to conduct numerous meetings to walkthrough the production cutover plans with discussions on tasks that could have been defined and understood during production simulations. Additionally, the incoming 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 started early enough to complete and resolve any problems that may be encountered. For future implementations, the incoming MAC should consider the benefits of production simulations for all stakeholders when laying out their requirements.

Production Simulation Plan

The Production Simulation Plan should mirror the actual cutover as closely as possible. In addition to tasks for the data conversion and validation, the plan should account for the planned dark days and synchronization of any SSM base and/or contractor number conversion releases that may be scheduled. It is also important that cycle time estimates are developed using month end cycles rather than daily, especially for large workloads.

Cutover Planning

The initial planning activities and the production simulation process will be key factors in developing the cutover plan. Though the timing of certain tasks (e.g. cycle times) may not be finalized until production simulation is complete, the incoming MAC should use the High Level Stop Work Timeline for cutover planning purposes. Having this outline will be particularly useful during the preliminary cutover planning meetings and promote dialog among the stakeholders, allowing everyone to follow along, ask questions and identify gaps. The incoming MAC should establish a cutover workgroup to manage all cutover activities. This group should begin to meet well in advance of the cutover and should be for one hour in duration.

Cutover Plan Elements

The information below describes elements that should be included in the cutover plan.

The plan should show:

- the responsible organization

- the responsible workgroup
- the responsible individual
- the task description
- the task estimated start and finish date/time
- the task actual start and finish date/time
- task status
- Source (who provided the task for the plan (e.g. M= Maintainer, E=VDC, H=HIGLAS, etc.)
- task comments

Cutover Plan Tasks

The following is a list of tasks that the incoming MAC should review and include in the production cutover plan if applicable. It is important to note that the suggested tasks are not all inclusive and that the incoming MAC and outgoing MAC should work closely with the VDC and other stakeholders to add other essential tasks to the plan.

- Task to conduct daily cutover meetings.
- Task to document daily cutover calls and distribute documents that include: the updated Cutover Plan, action items and issues.
- Task to update status hotlines daily or more frequently during the cutover weekend.
- Task for the incoming MAC to develop and distribute the consolidated cutover coverage, escalation and contact lists. The lists should include at least two contacts for each key stakeholder.
- Task to report on provider progress; trading partner and provider EDI testing status.
- Approved system dark days should be noted in the plan.
- Task for the outgoing MAC to submit the mail forwarding order. The incoming MAC will need to allow two weeks to activate forwarding mail. The forwarding order must be requested by the outgoing MAC.
- Tasks for the incoming MAC to confirm mail is received in the new P.O. Boxes.
- Tasks to notify functional contractors (e.g. QIC, PSC/ZPIC, BCC, etc) of the last day to send information to the outgoing MAC and the mailing information for sending requests to the incoming MAC.
- Task for the final go/no-go decision meeting (schedule this within 2-3 weeks prior to the actual cutover date and ensure that this date does not fall on a federal holiday).
- Tasks related to the verification of receipt by the incoming MAC of the final workload inventories transferred from the outgoing MAC.
- Task for the incoming MAC to submit the request to drop the CWF OSA files when contractor numbers are changing. CMS requested that the OSA files be dropped as a standard when contractor numbers change.
- Tasks to verify that the entities listed in the Jurisdiction Change Request (CR) have the required changes ready for day one.
- The incoming MAC should include the peripheral system maintainers (e.g. NGD, PECOS, and CWF) in the cutover planning process and the daily cutover calls.

- Tasks to coordinate activities with the CERT contractor such as NDM file transfers, contractor number changes for multiple workloads, and stop work dates (e.g. last date they will receive files from outgoing MAC and first date they will receive files from the incoming MAC).
- Task to ensure the Operator Control File/DDE logons transferred at cutover have a match on the RACF report and were established in accordance with CMS instructions and are unique to an individual workload.
- Task for the incoming MAC to provide the VDC with formal written notification when their testing is completed and when changes are approved for promotion into production for cutover.
- Task for the outgoing MAC to provide written approval to the VDC to close out the files.
- Tasks for system closeout/back-up system - the outgoing MAC's data center will backup and verify the final data. The incoming MAC and data center will determine how long the backup will be available for inquiry after cutover, should it be necessary.
- Tasks to validate data conversion – the incoming MAC may receive files that will need to be converted during cutover. After conversion programs have been run and the production environment has been populated with converted data, the incoming MAC will validate the conversion output.
- Tasks for the incoming MAC to perform initial system checkout by verifying on-line connectivity and production system access. The transfer and availability of files will be checked as will customer interface processes. The incoming MAC will also determine if hardware, software, and equipment is installed and operating properly.
- Tasks for functional validation of system - the incoming MAC should run cycles during the cutover period to check out operational functionality. This would include on-line data entry, claims activation, file verification (files accessible, formats proper, information correct), inquiries, batch processing, edit/audit file, Spitab and SCF changes (Part B) and ECPS (Part A) associated with the consolidated LCDs and testing. The first validation cycle may run conversions for claims and correspondence that were pending after the outgoing MAC'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 MAC's cutover activities. The incoming MAC will verify system output after each cycle and will then make a decision to begin normal business operations for workload that was moved.
- Tasks for first incoming 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.
- Tasks for verification of interfaces and data output that will be transmitted (EFT, EMC, CWF, etc.). All print/mail functions will be validated, including checks, remittance advices, MSNs, automated correspondence, and reports.

- Tasks for the incoming MAC to validate connectivity and/or that all peripheral systems are functional, even those that are not needed immediately (e.g. CROWD, ARTS, CWF, ECRS, PECOS, NGD, COBC, PSC/ZPIC, QIC, etc).
- Tasks for reporting - the outgoing MAC is responsible for the completion of all monthly and quarterly reports through the end of its Medicare contract. If the outgoing MAC 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 MAC leaves mid-month.) The incoming MAC is responsible for completing all quarterly reports beginning with its first cycle run after cutover. Therefore, if an outgoing MAC does not leave at the end of the quarter, an agreement must be reached between both contractors for the sharing of data so that the incoming MAC can produce a quarterly report. The incoming MAC does not need to run the quarterly job when it is their own legacy workload – they just run the normal monthly job.
- Tasks for cutover communication – ensure that critical dates are communicated to all impacted parties (i.e. the last date that the outgoing MAC shall perform each type of workload and the first date that the incoming MAC shall perform each type of workload).
- Tasks for the incoming MAC to provide daily statistics for each workload type and indicate the individual responsible for providing these statistics beginning the go live date through the end of the cutover period.
- Tasks for post cutover issue reporting – the incoming MAC will report on issues during the daily cutover calls for at least one week following cutover.
- Task for production Spitab run and validation (Part B only).
- Tasks for the outgoing MAC to validate all month-end workload reports to confirm that there are no problems prior to turning them over to the incoming MAC.
- Tasks for the incoming MAC to provide a status of any outstanding LCD maintenance and testing activities during the cutover calls.
- Task for the incoming MAC to notify providers of critical cutover information such as when they should stop sending work to the outgoing MAC and begin sending work to the incoming MAC, dark days, IVR availability, any changes to the payment floor, etc.
- Task for the outgoing MAC to send a log of all deposited but unapplied checks to the incoming MAC.
- Task to indicate what time(s) the on lines will be available during the cutover weekend.
- Task to indicate what time that the on lines will be available on the go live date.
- Tasks to address 1099 closeout activity (this task is not necessary if implementation is for a MAC's own legacy workload).
- Task to ensure that the PS&R setup (RACF and GDG) request from the VDC gets to CMS timely.
- Task for when the outgoing MAC should stop updating DNFs.
- Task for the transfer of complex inquiries from the BCC.
- Task to address receiving the outgoing MAC's bank clears file. If a non-base job is required, it should be developed and tested during prod sim.
- Task to update the PCF file (Part B) with the new contractor number, if applicable.

- Task to delete the outgoing MAC's user IDs in the new MAC system region. The incoming MAC will want to ensure that they can differentiate between provider user IDs for DDE access versus the outgoing MAC user IDs that should not be in the new MAC region.
- Task to run the job that will send the complete provider file for NPI from CMS to the VDC.
- Task for the incoming MAC to test NPI connectivity prior to cutover.
- Task to document the date and time of the last EDI file to be processed in the outgoing MAC's region.
- Task to delete the "prod sim only" files that should not be copied to the incoming MAC environment.
- Task to address the clerk file and document whether keeping prod sim as is or copying a new clerk file.
- Task for the VDC to verify input files, such as CWF and the COBC are not empty and old workload number files are applied to the outgoing MAC's workload and not doubled to the incoming MAC region.
- During cutover planning to prevent an issue with duplicate claims posting in CWF, the MCS maintainer stated that their documentation will be updated with a recommendation to increase the recycle days for location 60 claims during the first week of transitions.
- The incoming MAC should add as much detail as possible to the cutover plan regarding specific reference files to be copied or not copied (exclusion list). The incoming MAC should consider creating separate tabs on the cutover plan to list out this information.
- The VDC needs to allow adequate time to inform the COBC of transition information. There is a form that the VDC needs to complete in order to begin receiving COBC replies. If this was not addressed during the review of the interfaces, the incoming MAC may want to add a task for the VDC to complete the form.
- Task for the VDC to verify receipt of the COBC files to the MAC dataset names, and follow-up with GHI if files are not received.
- Task for the incoming MAC to provide instructions for the VDC to stop executing CWF interfacing FISS job JT040 (Tool Job 40) on a specific date which eliminates placing the 'X' in the tape-to-tape flag to allow claim to process through CWF.
- Tasks that clearly explain the incoming MAC's plans for handling the EMC claims during the first production cycle as well as when any held EMC files will be brought in.
- Task to confirm that base system releases and contractor number conversion releases are in sync.
- 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 incoming MAC. This activity should be coordinated with the MAC Security POC.
- Task for the incoming MAC to hold a walkthrough call with the CWF host and the VDC to ensure all details and timings are agreed upon during cutover weekend. This generally occurs once dark days and cycle schedules are finalized.

- Task for the incoming MAC to incorporate the tracking of any outstanding deliverables into the cutover plan.
- Task for the VDC to confirm that the EFT check numbers are reset to the values supplied by the incoming MAC.
- Task to verify that report output to CA-View is routed correctly.
- The cutover plan should include a task for the incoming MAC to schedule a meeting with the VDC, CMS and the NPI crosswalk maintainer to discuss the NPI crosswalk file process prior to cutover to ensure that all parties are prepared for the production cutover and understand the timing of activities during the cutover period. The cutover plan should also include detailed tasks to ensure the incoming MAC receives the NPI file with the new contractor number. The incoming MAC should send an email to the individuals listed below to advise that files will no longer be sent under the old contractor number and will be sent under the new contractor number; submit the full provider file with the new contractor number to the NPI crosswalk maintainer; and receive the NPI file under the new contractor number:

  James.O'Kussick@cms.hhs.gov
  EFT_Admin@cms.hhs.gov
  Donald.Dimitriou@cms.hhs.gov
  Lisa.Briggs@cms.hhs.gov
  Christy.Cornell@cms.hhs.gov
  Anna.Hudson@actionet.com

  The incoming 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.
- Task for the VDC and incoming MAC to verify that the NPI file is not empty.
- Task to ensure that the NPI crosswalk maintainer will systematically crosswalk the NPI forced matches so that no records are dropped.
- For Part B multi-state MAC workloads in one CICS region, task to run the contractor conversion jobs prior to bringing in the NPI files from the NPI crosswalk maintainer.
- Task for the VDC to send the full provider file with the new contractor number to the NPI crosswalk maintainer.
- Task for the incoming MAC to update the MSN release DATAIN to accommodate weekend cycle requirements since this is usually only updated during Monday through Friday cycles.
- Task to validate that all symbolics within all jobs are pointing to the appropriate datasets for the cycle they're running (i.e., UAT should reference UAT files and Production or Production Simulation should reference Production files).
- Task for the VDC to submit a request to alter the times that the CICS online regions are available during cutover weekend.
- A task should be added to the Part B cutover plan for the VDC to bring up the online region and close the YTD history files during the YTD history conversion/merge process.

- Task should be added to the cutover plan for the VDC to ensure that all NDMs are updated with the revised names for the trigger jobs.
- If ICNs are changing, a task should be added to the cutover plan to send the new crosswalk ICN file to the CERT contractor.
- Task for the incoming MAC to complete the MCS Help File copy after the final cycle in the old environment.
- Task for the incoming MAC to verify that the SPITAB BPLN contractor number matches the contractor number to be used for the outbound COBC file.
- Tasks for the VDC to verify that COBC inbound files are not sent to the old workload(s) and that they are brought into the first full cycle.
- Security tasks to remove the RACF update authority in the outgoing environments, to update the MCS clerk file to remove all update capability in the old online regions and to review the Update Report from RACF.
- Task should clearly state that contractor should perform online validation of Part B reference files only after conversion and before the INIT cycle.
- Task for the incoming MAC to ensure that all staff is aware of the dark day and that they understand not to access the onlines, perform transactions or maintenance during the dark day.
- In order to avoid connectivity issues which could result in system outages, the cutover plan should include a task to check the HIMRHOST CWF connections within the CICS region prior to cutover.
- Task to verify that all MCS SPITABs are setup to run as the appropriate State number in test, prod sim and production regions as applicable.
- Task for the last day to deposit checks as well as the last day to key checks into the system.
- Tasks on the production cutover plan to account for the following NGD activities:
  - NGD switches application to point to the new MAC region.
  - NGD tests live production with the incoming MAC
  - NGD notifies the incoming MAC of live connection/cutover results
- Task for the incoming MAC to review the MCS CCP documentation to ensure that that all applicable SPITABs contain the correct contractor's name and address (e.g., SPITAB H22TSPRN).
- Task for the incoming MAC to ensure that the VDC and the SSM have accounted for all aspects of the release/emergency release installation (including reference files and copy books) to the CICS region.
- Tasks for the incoming MAC to generate and validate HPSA payment as normal. The outgoing MAC is not expected to run HPSA at closeout.
- Task for the MCS maintainer and the incoming MAC to create a full list of DATAIN, PROFLIB, SYSIN and SPITAB records that must be updated prior to the first MAC cycle.
- Task to confirm and clarify any changes to the normal batch cycle schedule prior to execution of the first cycle.
- Task for the incoming MAC to verify that all GDGs are built for interface and sweeps files.
- Task for the incoming MAC to validate the BR100 for both the old and new bank account numbers.

- Task for the incoming MAC to verify workload reporting requirements with the VDC in advance of the cutover to ensure that both entities understand and agree with the dates and parameters to be used for the reporting jobs.
- Task for the incoming MAC to ensure that the update flag is set to "Y" in the CRIT file so that pending suspended claims from the outgoing MAC will automatically recycle and hit the MAC's proper edit/audit locations.
- Task should be added to the HIGLAS checklist for the incoming MAC to obtain a list of the No Pay (PIP) claims that are not yet sent back on the 835 interface file.
- Tasks to record the line of credit (LOC) draw journal voucher. This cannot be handled until the last day for the outgoing MAC since the Treasury does not update the amount until the final day. The financial reconciliation should not be run until after the LOC draws have been recorded and reconciled to the Treasury amounts.
- Tasks for the HIGLAS sub-contractor to generate the pre and post financial reconciliation reports.
- Task for the incoming MAC to validate the Customer Record in HIGLAS after the rename during the cutover weekend to ensure the BR100 information was entered correctly since there is no way to generate letters for validation from HIGLAS in a test mode or prior to the first production cycle.
- Task for the outgoing MAC to provide the HIGLAS team with the date parameters that were used to generate the outgoing MAC's 1099 reports to assist with annual 1099 support activities.

Additional Planning Activities

A number of additional planning activities that should also be considered are listed below. Most of these items would be addressed during the various workgroup meetings.

- The incoming MAC should work with CMS to determine when the final go/no-go decision meeting will occur (usually held within 2-3 weeks prior to cutover).
- When moving large workloads, time estimates should be developed using month end cycles rather than daily cycles.
- Address PS&R activity/file transfer (for Part A only).
- The incoming MAC should compile baseline statistics of incoming documents (paper, EMC) claims processed, payments issued, etc. to easily validate that appropriate volumes are being received and generated out of first cycles after cutover.
- The incoming MAC should verify that enough batch ranges have been assigned for newly acquired workloads to prevent situations like the Call Center having fewer than anticipated batch ranges to log calls.
- Identify any Part A provider that receives PIP and/or pass-through payments from the outgoing MAC. The incoming MAC should regulate the payment schedule and educate/communicate any changes to the providers affected.
- The incoming MAC will need to complete requests for all CMS system accesses under the new contractor number. The appropriate forms will need to be completed and sent to the CMS IL.

- A comparison of the CMS 1500 form billing instructions should be performed by the incoming MAC and providers should be educated of any differences identified.
- The incoming MAC should have internal discussions early in the process to ensure that the outgoing MAC's medical policy information is loaded in the incoming MAC's test region accurately in order to correctly process claims received after cutover with dates of service prior to the cutover.
- The incoming and outgoing MAC should test processes related to encryption software as early as possible to ensure the versions are compatible.
- The incoming MAC should work with the outgoing MAC early in the transition to set-up direct NDM connectivity. This will increase efficiencies for electronic file transfers and does not require encryption.
- The incoming MAC should develop plans to ensure that edit/audit coding updates and testing associated with LCD consolidation are complete prior to cutover.
- The incoming MAC should ensure that the Criteria file regions match the outgoing MAC's Criteria file regions to avoid an out-of-balance between the outgoing workload volume and the MAC's incoming workload volume.
- During the first 6 months following the cutover, the incoming MAC must have the capability of receiving two bank clears files per cycle (one from the outgoing MAC and one from the new MAC region). A procedure needs to be established between the incoming and outgoing MACs and coordinated through the VDC.
- Early in the transition, the incoming MAC needs information regarding how the outgoing MAC is using the provider option and AR codes. This information should be compared with the new MAC set-up since differences in the option and AR codes have the potential to cause payment issues. In addition, analysis needs to occur to allow sufficient time for the incoming MAC to perform maintenance and/or the VDC 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).
- The incoming MAC should ensure that the bank is prepared for sending and receiving files for the new region by testing and confirming that they have the correct account information, bank file formats, file locations and data set names.
- The incoming MAC's cutover checklist should include tasks for the VDC to verify that they are sending incoming EMC and bank clears files with the correct/new HLQ.
- The incoming MAC should ensure that all non-base jobs are developed, tested during prod sim and implemented prior to cutover.
- When the RA is ready to begin submitting, they should verify that the file contains the new contractor number.

File Transfer Preparation

The incoming MAC should form a File Transfer Workgroup and begin developing a File Transfer Plan soon after the kickoff meeting. A working draft of the plan should be created by the incoming MAC and shared with the outgoing MAC as soon as possible for their review and feedback. The plan should be distributed to all stakeholders as needed

for discussion during the File Transfer Workgroup meetings with the most current revisions clearly identified.

Operational counterparts from both contractors should attend the File Transfer Workgroup. These meetings can become very complex and the workgroup needs to consider and understand both the technical and operational aspects when discussing the transfers. If the File Transfer Workgroup Lead finds that weekly activity progression is slow due to stumbling blocks encountered, the lead should increase the meeting frequency (i.e., more than once per week). This will keep the progression of transfer activities on track and provide stakeholders with frequent issue status updates.

The incoming MAC should request a detailed list of the records (electronic and paper) that the outgoing MAC intends to transfer as early as possible. This will help the incoming and outgoing MACs determine the level of effort and resources that will be associated with the transfer.

During the cutover period, the outgoing MAC (and any other party that may be sending files to the incoming MAC) will prepare and transfer all Medicare files and records to prescribed locations detailed in the file transfer plan.

For preparation and control of non-electronic files that will be transferred, it is important that both the incoming and outgoing MACs refer to JSM TDL-10305, 06-01-10 and JSM/TDL-11058, 11-23-10 to ensure the guidelines for these file transfers are accurately followed.

The outgoing MAC will provide the incoming MAC with an inventory of all files and records (electronic and paper including internal database information) that will be transferred. The final inventory list will give a description of each file, including contents, size, dates and locations, etc. It will also be used by the Workgroup Leads or Project Managers to determine where files and records will reside after cutover. If there is more than one operational site for the outgoing MAC, an inventory list must be prepared for each site. The inventory list should be verified to determine the quality of the inventory results.

The incoming MAC will be responsible for the shipment of files and any physical assets (equipment, supplies, furniture, etc.) that it obtains from the outgoing MAC before, during and following cutover. The cost of conveyance is borne by the incoming MAC. The incoming MAC should sample files to verify content and proper labeling and ensure that items are loaded for the proper destination with the correct invoices and that all items are in the proper condition.

The following activities/decisions need to occur with input from the various operational workgroups:

- Determine encryption process for file transfers. CMS requires that the Medicare contractor encrypt all personally identifiable information (PII) contained in a removable media when it is transferred from a Medicare contractor or data center.

Data sent by the network data mover (NDM) does not have to be encrypted since this is an approved, 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 "business partners may now use the Internet to transmit sensitive information via encrypted attachments in accordance with all applicable CSRs." Other methods of encryption must be approved by CMS.

- The incoming and outgoing MACs should work together to test the processes related to encryption software as early as possible to ensure the versions are compatible.
- In order to reduce the amount of time spent to do the SecureZip encrypting and decrypting information, the incoming MAC may want to consider the approval and use of hardware encrypted external hard drives that provide security consistent with software encrypted files that does not require the additional time/effort required to encrypt and decrypt the data and does not require software to be installed on either the sending or receiving contractor machines.
- Determine the last date that the outgoing MAC will perform each type of workload (separate tasks/dates should be specified for newly received work and for in-process/pending work).
- Soon after kickoff, the incoming MAC should ensure that the outgoing MAC discusses the mail forwarding process with their appropriate post office(s) to determine how mail is forwarded. In some instances if the post office is not a 'hub', the mail may first be rerouted to a 'hub' office which may increase the time it takes to get to the incoming MAC's destination. If this is the case, it may be necessary to establish an earlier mail forward date.
- Determine the date for the outgoing MAC to submit the mail forwarding order to the post office. The incoming MAC will need to allow two-weeks to activate forwarding mail. The forwarding order must be requested by the outgoing MAC.
- The incoming MAC should develop a Mail Forwarding Process document within the File Transfer Plan. This should include for the various workload types, the date the transfer begins, the address where the work should be sent, the POC for both the incoming and outgoing MACs, etc. This should be distributed and discussed within the File Transfer Workgroup with input from the incoming and outgoing MAC operational areas.
- The File Transfer Workgroup Lead should consult with the Financial Workgroup Lead and consider incorporating a document in the File Transfer Plan to address financial workload situations post cutover. This should be distributed and discussed during the workgroup meetings to allow the outgoing MAC the opportunity to review, provide input and understand what is expected.
- Determine when to notify functional contractors (e.g. QIC, PSC/ZPIC, BCC, etc) of the last day to send information to the outgoing MAC and the first day to send requests to the incoming MAC. The mailing information for sending requests to the incoming MAC should be included in the notification.

- Determine when the outgoing MAC should stop updating DNFs.
- 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.
- File transfer samples for pending and completed workloads should be requested immediately after implementation kickoff so that the incoming MAC is able to review and discuss them during the various workgroup meetings and familiarize themselves with what they should expect at cutover.
- The outgoing MAC should provide sample files in the same format that they will be sent at cutover. If during the implementation phase there is a change in the format, the incoming MAC should be notified and a new sample should be provided.
- The incoming 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.
- The incoming MAC's request for electronic image extracts, particularly electronic records housed in an outgoing MAC's proprietary database, should specify the metadata/indexes to be extracted. Otherwise, the incoming MAC may not be able to search/locate specific data when the extracts are received.
- The incoming MAC and outgoing MAC should begin discussions early in order to gain an understanding of the outgoing MAC's operational workflow as it relates to the metadata. In addition, the incoming MAC should hold a pre-cutover technical walkthrough of the imaging metadata extracts and open/pending report structure/data fields should be performed as part of the file transfer planning/preparation process in order to prevent missing data types and metadata formatting issues.
- The incoming MAC should encourage the outgoing MAC to begin the copying of image files for completed work well in advance of the cutover period. The outgoing MAC should not underestimate the level of effort and resources needed to complete this task. The outgoing MAC should confirm that it can transfer the image files for pending work as soon as possible following cutover.
- When using the NDM process for file transfer especially for large files, the incoming and outgoing MACs should (1) coordinate the timing of the transfer so that it will not interfere with production files and (2) ensure that the data being transferred is the appropriate size for the NDM line(s) used.
- If database files are to be transferred from the outgoing MAC's subcontractor(s), the incoming MAC should be well informed of the subcontractor's security policies which could affect how the transfer will occur.
- Both the incoming and outgoing MAC should have reconciliation processes in place to ensure all files that were sent by the outgoing MAC were received by the MAC.
- The incoming MAC should provide the outgoing MAC with the specific format for compiling the inventory of hardcopy and electronic records. This will ensure that the incoming MAC gets the information in a workable format. Additionally,

if inventory is in flux (being de-commingled, moved from one site to another, etc.), the incoming MAC should request a weekly/bi-monthly progress update.
- The incoming MAC should request the outgoing MAC to provide an electronic file manifest for all electronic records (e.g., EDI claims as submitted files).
- The incoming MAC should ensure that trucks that are sent to pick up pallets from the outgoing MAC are equipped with lift gates. This will decrease the chance of injury related to loading and unloading the trucks.
- The incoming MAC's file transfer protocol should have detail on how to palletize and shrink wrap boxes prior to loading onto the truck. This would be helpful for those offsite storage facilities not managed by an actual record storage vendor.

The File and Record Transfer Plan Content document contains a description of key elements to incorporate into the plan. This document is **Exhibit 8** in the ***Medicare Administrative Contractor Workload Transition Handbook*** and should be used as a guideline for developing the plan.

Stop Work Timeline

The following guidelines for the outgoing MAC to stop work are based on experience from previous MAC implementations. **These are intended to be a guide since the number of days will vary based on the workload volume, any backlogs at the outgoing MAC, or other unique situations.** As a general rule, the outgoing MAC should continue to process workload right up to the cutover (first dark day). The week prior to the cutover date should be dedicated to clean up of work in process.

For Medial Review and Audit & Reimbursement activities – the incoming and outgoing MACs should establish a plan based on the specific workload, current inventory and timing of the implementation.

Prior to finalizing the dates in the plan, the incoming MAC should ensure that the outgoing MAC's CMS Contracting Officer and the CMS Implementation Lead are in agreement and support the proposed stop work dates.

The following timelines are recommended for the outgoing MAC to cease activities:

30+ days prior to Cutover:
- Any outgoing MAC MR development activities, initiation of probes, etc.
- Select Part A Audit and Reimbursement activities such as desk reviews, field audits, etc.

3 weeks prior to Cutover:
- ERA additions
- EDI additions
- Mass Adjustments
- System/reference file maintenance – for non-emergency/non-mandated updates.

7 to 10 days prior to Cutover:

- Adds to PPTN/DDE
- Provider Outreach
- Adjustments (including financial)
- EFT adds/changes
- Provider Enrollment (except PECOS approvals)
- Pricing updates/changes
- QIC/Ad-QIC requests
- PSC/ZPIC requests

5 days prior to Cutover: (usually the preceding Friday)

- DNF
- Opt out agreements
- scanning new inventories
- assigning CCN/DCN's
- processing new paper claims, redeterminations, correspondence, including fax and email inquiries

2 to 5 days prior to Cutover:

- updates to system/reference files (emergency/mandated changes – must be coordinated with the data center)
- void/re-issue checks
- generate overpayment requests
- PECOS approvals
- claims and adjustments in suspense status

The last processing day: (usually the day before the first dark day) the outgoing MAC should continue to:

- accept new EMC claims
- handle provider calls
- handle referrals from the BCC
- process telephone re-openings
- process/apply checks

APPENDIX A

JXX High Level Stop Work Date Timeline

Task	Day of Week/Date
Last day to scan paper claims	
Last day to scan correspondence	
Last day to scan provider enrollment applications	
Last day to send claims to OCR (if applicable)	
Last day to establish new EDI user/submitter IDs or make changes to existing user/submitter IDs	
Last day to initiate adjustments/reopenings	
Last day to initiate mass adjustments	
Last day to apply checks	
Last day to deposit checks (if applicable)	
Date OMAC lock box closes (if applicable)	
Last day/cutoff time for the OMAC to accept EMC claims	
Last cycle date for OMAC	
Dark day(s)	
Cutover day	
Go Live day	
First IMAC payment cycle	

EXHIBIT 8
File and Record Transfer Plan Contents

A file/record transfer plan should include the following key elements:

C.6 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 MAC to the incoming MAC. This section may also include key dates (i.e., 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 the outgoing MAC's facility that need to be transferred to the MAC.

Topics in this section should include:

- Assumptions;
- The incoming MAC's proposed transfer plan (includes date(s) of transfer);
- 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;
- Names , locations and contact information for the outgoing MAC's on-site storage facilities;
- Dates the outgoing MAC should discontinue sending files to off-site storage;
- Stop Work Dates – these are the dates in which the outgoing MAC 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) – includes method of transport (i.e., Fed Ex, UPS, private courier, etc.); and
- Boxing and Labeling Instructions – the incoming MAC should develop a labeling system to provide to the outgoing MAC so that boxes are routed correctly to the incoming 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 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.

EXHIBIT 8
File and Record Transfer Plan Contents (Cont.)

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 incoming MAC's plan for either transferring the records or taking over the existing off-site storage facility contract(s).

Topics in this section should include:

- Assumptions;
- The incoming 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; and
- Names, locations and contact information for the outgoing MAC'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. The MAC should also include the method of 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 MACs should also include the followings topics in their File/Record Transfer Plan:

- Description of any Memorandum of Understanding (MOU), if necessary;
- Handling of misrouted mail; and
- New mailing addresses for the incoming MAC.
- POCs for each operational area for both the incoming and outgoing 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 9
Medicare Contractor Transition Electronic Transmittal Form

MEDICARE CONTRACTOR TRANSITION ELECTRONIC TRANSMITTAL FORM

Project: Coordination of Benefits Agreement (COBA)

Task: COBC Detailed Error Report Processing

Contact Information

Company Name: _____ New Medicare Contr # _____

Outgoing Medicare Contr# _____

Contact Name: _____ Phone # _____ Ext. _____

Contact Email Address: _____

AGNS Account Information

Account ID: _____

NET ID: _____ APPL.ID: _____

Production Requirements

Filename(s): Error Response File _____

Filename(s): Detailed Error Report _____

Filename(s): Recovery Eligibility File _____

Special Instructions (e.g., file triggers):

Test Requirements

Filename(s): Error Response File _____

Filename(s): Detailed Error Report _____

Filename(s): Recovery Eligibility File _____

Special Instructions (e.g., file triggers):

COBAF008-1.0
April 2014

Exhibit 10
Coordination of Benefits Agreement (COBA) ACH Electronic Credit Authorization Form

Coordination of Benefits Agreement (COBA) ACH Electronic Credit Authorization Form

Thank you for authorizing the Benefits Coordination & Recovery Center (BCRC) to electronically credit your account through ACH for claims successfully crossed to a COBA trading partner. Here is how the program works:

- Each month, the BCRC's financial institution will automatically credit your designated bank account.
- The credit will appear on your monthly bank statement.

ACH is regulated by Regulation E and the National Automated Clearinghouse Association's (NACHA) Operating Rules.

Contractor's Name _____ **Contractor Number** _____

Address _____

City, State, Zip code _____

Name of Contact _____

Contact's E-mail Address _____

Contact's Telephone Number _____

For ACH Credits

Receiving Bank _____

ABA Routing Number _____

Swift Address (if applicable) _____

Your Bank Account Number _____

Bank Contact Name and Number _____

What is your preference to receive ACH advice (i.e. electronic or by mail)? To receive electronically, your current banking service must allow for receipt of electronic ACH advice. If not, the BCRC will mail the ACH advice and deposit funds via ACH. _____

If by mail, please provide the mailing address _____

Signature _____ **Date** _____

Please enclose a voided check from the account designated above and verify the accuracy of the information listed before signing.

COBA005-2.1
April 2014

EXHIBIT 11
Cutover Points of Contact for Peripheral Systems/Interfaces

Interface	Interface Contact	Email Address
CCI	Stephen Ziolkowski	Stephen.Ziolkowski@cms.hhs.gov
CERT	Debbie Blessing Warren Bolden	BlessingD@admedcorp.com BoldenW@admedcorp.com
COBC	James Bin Gao Jim Brady	Jgao@emblemhealth.com Jbrady@ehmedicare.com
CWF	Deana Nafzger Kim Suhr Whitney Korangkool	Deana.Linard@hp.com Kim.Suhr@hp.com Whitney.Korangkool@cms.hhs.gov
esMD	Melanie Combs-Dyer Joyce Davis Laura Higdon	Melanie.Combs-Dyer@cms.hhs.gov Joyce.Davis1@cms.hhs.gov Lhigdon@qssinc.com
HCIS	Gregory Dawson	Gregory.Dawson@cms.hhs.gov
IDR	Distribution Team	Idr-etl-team@cormac-corp.com
MUE	Valeria Allen	Valeria.Allen@cms.hhs.gov
MSPRC	Sarah Crespin Lisa Lawrence Caroline Yap	Sarah.Crespin@chickasaw.com Lisa.Lawrence@chickasaw.com Cyap@ehmedicare.com
NDW (National Data Warehouse)	Gregory Dawson	Gregory.Dawson@cms.hhs.gov
NGD	Mike Sanderock	Mike.Sanderock@wellpoint.com
NLR	Gopal S. Vembar Valeri Ritter	Gopal.Vembar@ngc.com Valeri.Ritter@cms.hhs.gov NLR.PRODSUPREQUEST@cdsedc.com HBOSC_POSD@cms.hhs.gov
NPI	Donald G. Dimitriou Barbara Black Michele Berman Anna Hudson Nicole Cooney Gerald Wright Christy Cornell	Donald.Dimitriou@cms.hhs.gov Barbara.Black@GDIT.com Michelle.Berman@GDIT.com Anna.Hudson@actionet.com Nicole.Cooney@cms.hhs.gov Gerald.Wright@cms.hhs.gov EFT_ADMIN@cms.hhs.gov Christy.Cornell@cms.hhs.gov
PQRS	Rebecca Fender Stan Ostrow Kenneth Howard	Rebecca.Fender@cms.hhs.gov Stan.Ostrow@cms.hhs.gov Kenneth.Howard@cms.hhs.gov
PECOS	Meena Patel James Cox Michael J. Sell Kelli Johnson	Meena.Patel@cms.hhs.gov James.Cox@cms.hhs.gov Michael.Sell@cgifederal.com Kelli.Johnson@cms.hhs.gov
PULSE	Reuben Pari Brent Bowden Jamie McLeod	Reuben.Pari@feisystems.com Brent.Bowden@cms.hhs.gov Jamie.Mcleod@cms.hhs.gov
RA – Region B (CGI)	Frank Zore	Frank.Zore@cgifederal.com

EXHIBIT 11
Cutover Points of Contact for Peripheral Systems/Interfaces (Cont.)

RA – Region C (Connolly Consulting)	Barbara Dyroff Jim Spause Gabe Martinez Garrett Scroggin Gautam Malhotra Damon Ramaglia	Barbara.Dyroff@connolly.com Jim.Spause@connolly.com Gabe.Martinez@connolly.com Garrett.Scroggin@connolly.com Gautam.Malhotra@connolly.com Damon.Ramaglia@connolly.com
RA – Region D (HealthDataInsights)	Margaret Evans-Perkins Crystal Guadan Mary Woon	m.evansperkins@emailhdi.com crystal.guadan@emailhdi.com mary.woon@emailhdi.com
REMAS	Mary Minnick	Mary.Minnick@cms.hhs.gov
REMIS	Michelle Tucker Eric Chase Robert Schnell	Michelle.Tucker@cms.hhs.gov Eric.Chase@cms.hhs.gov Robert.Schnell1@cms.hhs.gov
RRB	Jerrell Parker Bill Dunn	Jerrell.Parker@hp.com Bill.Dunn@hp.com edcpartbsupport@hp.com
SPITAB	Glenn Anderson Gail Langille Howard Balls	Glenna@hp.com Gail.Langille@hp.com Howard.Balls@hp.com
SWIFT Portal	Michael Marquis	Michael.Marquis@cms.hhs.gov

EXHIBIT 12
Post–Cutover Daily Workload Reporting Categories and Data Elements

Workload Categories to be Reported	Workload Data Elements to be Reported
Claims	• Beginning Pending • Ending Pending • Paper Receipts • EMC Receipts • EMC Rejection Rates • RTP Volume • Processed • Suspense Rate • Days work On Hand (DOH) • Aged Volumes • Volume and Amounts for EFT payments • Volume and Amounts for Paper Checks
Customer Service – Provider Telephone Inquiries – Provider Callbacks	• CSR calls serviced volumes • ATB • Average talk time • ASA • IVR Calls Serviced Volumes • IVR Handling Percentage Rate
Written Inquiries and BCC Referrals/Inquiries	• Beginning Pending • Ending Pending • Receipts • Processed • Aged Volumes
Appeals – Redeterminations/Reopenings – QIC – RAC	• Beginning Pending • Ending Pending • Receipts • Processed • Aged Volumes
Provider Enrollment – Initial Enrollments and Maintenance	• Beginning Pending • Ending Pending • Receipts • Processed • Aged Volumes
Accounts Receivable/Overpayments – Solicited and Unsolicited – MSP/Non-MSP	• Beginning Pending • Ending Pending • Receipts • Processed • Aged Volumes

EXHIBIT 13
Sample Financial Closeout Letter

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard
Baltimore, Maryland 21244-1850

TDL-13476, 08-21-13

Date:

Mr. _____
President and Chief Operating Officer
Palmetto GBA, LLC
17 Technology Circle
Mail Code AG-A03
Columbia, SC 29203-9591

Dear Mr. _____:

Effective August 26, 2013, Palmetto Government Benefit Authorizers, LLC (PGBA), Jurisdiction 1 Administrative Contractor (J1 A/B MAC) workloads will transition to Noridian Healthcare Solutions, LLC (Noridian), Jurisdiction E Administrative Contractor (JE A/B MAC). The Centers for Medicare & Medicaid Services (CMS) would like to reiterate the related Healthcare Integrated General Ledger Accounting System (HIGLAS) financial reporting requirements for this transition.

CMS has the primary responsibility for safeguarding the assets of the Medicare Trust Funds; therefore, it is imperative that PGBA J1 A/B MAC provide all required financial reports timely. PGBA J1 A/B MAC is required to email the HIGLAS financial reports listed below to Lataysheia Lance, Director, Division of Financial Reporting, Policy & Oversight at Transmittaldocs@cms.hhs.gov by the corresponding due dates:

	Pre-Transition Activity (PGBA J1 A/B MAC)	**Due Date**
1.	a. CMS Treasury Report on Receivables (TROR) as of August 26, 2013	August 28, 2013
	b. CMS Accounts Receivable (A/R) Overpayment Report as of August 26, 2013	August 28, 2013
	c. CMS Adjustment Register as of August 26, 2013	August 28, 2013
2.	Summary 2 Trial Balance as of August 26, 2013	August 28, 2013
3.	HIGLAS Certification Statement as of August 26, 2013	August 28, 2013

PGBA J1 A/B MAC shall provide reporting for the values associated with the Part B workload. PGBA J1 A/B MAC shall validate the Non-Currently Not Collectible (CNC) receivables as of August 26, 2013, reported on Line 7, Ending Balance on the CMS TROR. PGBA J1 A/B MAC shall validate CNC receivables as of August 26, 2013, on Part II, Section B, Line 1B, and CNC Debts on the CMS TROR. As a result of this validation, PGBA J1 A/B MAC shall be renamed Noridian JE A/B MAC. Noridian JE A/B MAC will report the Part B Non-CNC receivables and the CNC receivables on the CMS TROR and all applicable HIGLAS financial reports.

EXHIBIT 13
Sample Financial Closeout Letter (Cont.)

PGBA J1 A/B MAC shall also complete the HIGLAS Accounts Receivable Transmittal Document (see Attachment I) by August 28, 2013, which documents the value of principal and interest accounts receivable that will be transferred to Noridian JE A/B MAC. This document must be signed by the Chief Financial Officer (CFO) for Medicare Operations for PGBA J1 A/B MAC, the (CFO) for Medicare Operations for Noridian JE A/B MAC, and Charna Pettaway, Associate Regional Administrator, Division of Financial Management and Fee-for-Service Operations, Atlanta Regional Office. The Atlanta Regional Office can provide further guidance regarding the completion of this form.

PGBA J1 A/B MAC shall submit a copy of the Summary 2 Trial Balance and a signed copy of the HIGLAS Certification Statement (see Attachment II) certifying the accuracy of the Summary 2 Trial Balance at the time of transition by August 28, 2013. The HIGLAS Certification Statement must be signed by the CFO for Medicare Operations for PGBA J1 A/B MAC and a copy sent to Charna Pettaway and Noridian JE A/B MAC.

If you have any questions in meeting the deadline, please contact your Contracting Officer's Representative (COR).

_____ _____

Maria C. Montilla, CPA
Director, Accounting Management Group
Office of Financial Management

Karen Jackson
Director, Medicare Contractor Management Group
Center for Medicare

Attachment(s)

cc:

[a listing of various Palmetto, Noridian, and CMS personnel copied]

EXHIBIT 14
Workload Transition Lessons Learned

This document contains a compilation of information gathered during the A/B MAC Jurisdiction workload implementations. The incoming MAC and other stakeholders should reference the Lessons Learned document throughout the life of the project. There are many items that may not resonate at the beginning of the project but will as the project progresses. This will allow the incoming MAC and other stakeholders to benefit from the insights gained during previous transitions.

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. The incoming MAC must assess their resources and work activities related to the transition and ensure they commit the needed resources to transition activities so internal systems changes are made and tested before cutover. System updates must be started early to ensure that all changes/updates are implemented and tested well before cutovers.

3. The incoming MAC should develop and evaluate their test scripts and phases and assign individual start and finish dates for scripts (not a global start/finish time frame for all scripts) to ensure they are completed timely and that unnecessary scripts or those that cannot be tested are not included in the test plan.

4. Using the established POCs throughout the transition is very important to ensure all necessary individuals are kept informed. Additionally, it is beneficial to communicate using the shared mailbox to prevent the potential for a communications disconnect within and across organizations.

5. A uniform document naming convention should be applied to ensure consistency of document naming and version control throughout the workgroups.

6. 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.

7. The Jurisdiction Award Change Request will contain business requirements for the appropriate interfaces; however, the SWIFT portal and esMD are recent additions to the Medicare interfaces and business requirements may not be included within the CR. If requirements are not addressed, the incoming MAC should contact the

EXHIBIT 14
Workload Transition Lessons Learned (Cont.)

appropriate CMS POCs to discuss the impact the implementation may have and any necessary changes needed.

8. Comparison of the incoming MAC and outgoing MAC portal functionalities should begin immediately after implementation kickoff to determine if CMS wants enhancements made to the incoming MAC's portal. Starting this early will allow ample time for any enhancements to be developed and in place by cutover.

9. A master deliverables list should be created and maintained throughout the implementation. The deliverables list should be detailed enough so that the outgoing MAC can deliver what the incoming MAC expects. Keeping in mind the probable differences in terminology, the incoming MAC should not assume that the outgoing MAC will interpret things the same way. The incoming 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. The incoming MAC's deliverable list and process to submit the deliverables must facilitate the needs of all parties to ensure it is efficient for all users/recipients.

10. The incoming MAC should notify the outgoing MAC of its intentions to send acknowledgement of receipt for each deliverable or only to respond to those deliverables with questions or concerns.

11. To eliminate confusion and/or discussion of how often a deliverable will need to be submitted, the incoming MAC should add a "Frequency" column to the outgoing MAC Deliverable List.

12. The incoming MAC should specify in the deliverable description the specific parameters to be used or an "as of" date for the deliverable being requested.

13. The outgoing MAC's deliverables listing should include a target date for review and acceptance of the deliverable by the incoming MAC. In addition, once the due dates for external deliverables are agreed upon, the incoming MAC should adhere to the schedule and report/document items as late rather than changing the due date or granting an extension.

14. To simplify tracking of the deliverables, the incoming MAC should consider using the same numbering scheme for Part A and Part B deliverables with the letters A and B preceding the deliverable number to distinguish them.

EXHIBIT 14
Workload Transition Lessons Learned (Cont.)

15. Deliverable due dates proposed by the incoming MAC should be aligned with the timing of the transition period (i.e., information more appropriate closer to cutover due date should not be requested early in the transition period).

16. The initial deliverables list created by the incoming MAC should include due dates for all of the deliverables. It is critical that all due dates be determined as early as possible following the kickoff.

17. It would be beneficial for the incoming MAC to highlight changes to the deliverables list each week so all are aware of additions, due date changes, or removed items.

18. The incoming MAC should review the deliverable list in total to ensure there are not multiple requests for the same deliverable from various workgroups. The MAC should consider what is really needed to ensure a successful transition.

19. The outgoing MAC 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 incoming MAC time to develop contingency plans for obtaining alternate information.

20. 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 new MAC.

21. The incoming and outgoing MACs should work together 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.

22. The BCC has established a specific email box for the MAC implementations: MAC.contact@gdit.com.

23. 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.

EXHIBIT 14
Workload Transition Lessons Learned (Cont.)

24. The incoming MAC can gain important information about the current processes in place at the outgoing MAC by conducting onsite visits, in lieu of conducting due diligence via teleconference/off-site meetings. The incoming MAC and the outgoing MAC should determine the schedule and scope for onsite due diligence reviews as soon as possible following the kickoff. Scheduling the reviews quickly is crucial for implementations with accelerated schedules.

25. An on-site due diligence is an important step for the incoming MAC's understanding of electronic information. While it is understandable that there would be limits to what the incoming 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.

26. In the event that the outgoing MAC denies a request for on-site due diligence reviews, the incoming MAC needs to establish a process that ensures that they obtain the information necessary in a timely fashion. It may be advisable for the incoming MAC to conduct their due diligence reviews as a separate work session either via teleconference, at the incoming MAC's location, or a non-operational site near the outgoing MAC. The outgoing MAC should provide sufficient time for discussion and the same resources that they would have provided if they were on-site. The incoming 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.

27. The current RO staff/Outgoing Contracting Officer's Representative should provide input to the incoming MAC regarding the outgoing MAC's outstanding issues. They should advise the incoming MAC on the potential provider groups or issues they could encounter as well as offer suggestions where service to providers could be improved.

28. Both the incoming and outgoing MACs 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.

29. 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.

EXHIBIT 14
Workload Transition Lessons Learned (Cont.)

30. The outgoing MAC should come to the Kickoff Meeting with a list containing as much information as possible regarding their electronic file formats, databases used, etc. within their organization and/or their subcontractor's organization. This will benefit both contractors to determine early on in the implementation how to proceed with the transfer (e.g. format compatibility, need for electronic file readers, estimated sizes, etc.) and help alleviate some of the stumbling blocks encountered during the course of the transfer activities.

31. Because of the complexity of the electronic file transfers, the outgoing MAC's contract end date should be taken into consideration throughout the planning and transfer process. If it is estimated that the transfers may continue past the contract end date, the incoming MAC will need to consult with CMS for alternative methods to ensure all files required are transferred prior to that date.

32. 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

33. The incoming 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.

34. 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.

35. 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 14
Workload Transition Lessons Learned (Cont.)

36. The incoming MAC should consider cancelling workgroup calls if the agenda topics do not warrant a call or if the topic is of such a nature that it could be postponed a week. This allows all stakeholders to use their time more efficiently.

37. Holding back-to-back file transfer calls for multiple segments is not recommended as the calls tend to be lengthy and can cause confusion for the incoming MAC participants as well other transition partners.

38. The incoming MAC 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.

39. The incoming 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.

40. The incoming MAC should ensure meeting minutes are accurate and detailed. Using knowledgeable note takers who are able to accurately reflect conversation is important to the process.

41. Daily cutover calls should be thoroughly documented by distributing minutes that include: attendees, topics of discussion and action items.

42. 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.

43. The incoming 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.

44. Utilizing an “organizational” roll 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. Additionally, the incoming MAC should ensure they wait until the scheduled start time to begin roll call.

EXHIBIT 14
Workload Transition Lessons Learned (Cont.)

45. 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.

46. 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.

47. To reduce the risk of emails being returned to sender, the incoming MAC should send separate emails or zip files when sending out large files for meetings.

48. The incoming MAC should not underestimate the level of effort involved with file transfer planning and preparations. Below is a list of considerations surrounding hardcopy file transfer/electronic file transfer discussion and activities:
    - During the kickoff meeting, the incoming MAC should seek to clearly understand the estimated volumes, locations, media and perceived complexities associated with the outgoing MAC's hardcopy and electronic records.
    - The incoming MAC may want to conduct a break-out session at the kickoff to discuss the expectations and include a representative from the incoming MAC's document control department (to cover both hardcopy and electronic file transfers). It is important for the incoming MAC to give clear instructions on how and when to transfer pending workload vs. completed work files.
    - The incoming MAC should provide a draft File Transfer Plan either at the kickoff meeting or very early in the implementation. This will ensure that the incoming MAC gains the outgoing MAC's input and insight as early as possible and ensures a consistent understanding of activities and expectations.
    - The incoming MAC should provide a specific format/template to request the inventory of on-site, off-site and electronic records from the outgoing MAC. This will ensure that the incoming MAC gets the information in a workable format. If inventory is in flux (being de-commingled, moved from one site to another, etc.), the incoming MAC should request a weekly/bi-monthly update.
    - The incoming MAC may also want to distribute to the outgoing MAC a file transfer questionnaire that would gather information on hard copy files such as the volume and years of files stored on site in each operational area.

EXHIBIT 14
Workload Transition Lessons Learned (Cont.)

- The incoming MAC should refer to the MAC Cutover and Workload Transfer Planning Document for additional information regarding the file transfers.

49. Stakeholders should not underestimate the amount of time and effort related to file transfers, especially as it relates to electronic images. Workgroup discussions should start early and sample image files should be provided to determine compatibility, differences in file structure, etc., so that any necessary actions and/or contingencies can be developed and available for operations on Day 1.

50. In order to prevent file transfer reconciliation issues, the outgoing MAC should ensure they include a manifest with the forwarded mail and that it is reconciled before sending it to the incoming MAC.

51. The incoming MAC should request a walkthrough of the outgoing MAC's workflow system/output at the onset of the segment implementation so that the Operations and Electronic File Transfer Teams can work together with the outgoing MAC to define the expected formats for file data/images.

52. Within the File and Record Transfer Plan, the incoming MAC should request that the outgoing MAC prepare a master list of all boxed files being transferred to the incoming MAC's on-site and off-site facilities. This will enable the incoming MAC to understand what is contained within the boxes without having to open each box to ascertain if all documents needed were received. The incoming MAC may also want to consider having onsite representation at the outgoing MAC to oversee the file transfers.

53. The incoming MAC needs to determine what the working relationship is between the outgoing MAC and their PSC/ZPIC. Early in the process the incoming 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/ZPIC to PSC/ZPIC and it is important for the incoming MAC to determine how it varies from what they are used to.

54. The incoming MAC should establish 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 14
Workload Transition Lessons Learned (Cont.)

55. The cutover project plan should have a "freeze" date as well as version number to identify the most current version for review.

56. The incoming 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.

57. 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.

58. Stop work documents should be finalized and approved in advance of the final development of the cutover plan to reduce cutover plan revisions prior to CMS approval.

59. When using a documentation portal such as SharePoint for project information, the incoming 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.

60. To avoid duplication of efforts, the format (electronic vs. hardcopy) of deliverables should be decided upon early in the transition.

61. The incoming 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 incoming MAC should also consider scheduling a walkthrough call with the COBC contractor to ensure all details and timings are coordinated and understood.

62. During the kickoff meeting, the VDC should determine whether or not the incoming MAC will need temporary environment access and update project schedule tasks to include the access request, tracking and verification if necessary.

63. The incoming MAC should include the HIGLAS workload number information in the JIPP kickoff meeting presentation, in conjunction with presenting the contractor workload number changes for the transition.

EXHIBIT 14
Workload Transition Lessons Learned (Cont.)

64. When requesting approval for the payment floor drop, CMS requires the incoming 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.

65. When the incoming MAC is acquiring the UAT region from the outgoing MAC, approval for the MAC to perform functions normally performed by the outgoing MAC must be obtained from the CMS Contracting Officer. If the incoming MAC determines there will be additional costs, the Contracting Officer would decide where unanticipated implementation costs should be charged.

66. If the incoming MAC is acquiring the outgoing MAC's test region only a few weeks prior to cutover, the MAC may want to begin immediate discussions with CMS to determine the feasibility of testing with large submitters rather than rolling out the full early boarding process to all providers since the timeframe to implementation is short.

67. When submitting post cutover workload reports to CMS, it is helpful for the incoming 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.

68. Some incoming 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.

69. When establishing cutover dates, the incoming MAC should ensure the availability of resources to adequately support two cutovers with overlapping activities. It is crucial that there are enough resources to support both cutovers without diluting the focus on the second cutover while the first is occurring. If there is a concern, the incoming MAC should discuss this with CMS prior to finalizing the cutover dates.

70. When determining future implementation schedules, consideration should be given to the added risks of having cutovers on consecutive weekends. Greater risk is put on the second transition as many participants will be involved in both and the number of meetings the week between transitions increases the risk and decreases the effectiveness of the resources on the post-transition activities for the first implementation and pre-transition activities for the second implementation.

EXHIBIT 14
Workload Transition Lessons Learned (Cont.)

71. For projects that involve accelerated implementation dates, the incoming MAC should conduct the segment kickoff meeting(s) in conjunction with the jurisdiction kickoff meeting so that activities for all segments can get underway following the kickoff.

72. The incoming MAC should ensure that the status and volume of the pending Recovery Auditor (RA) adjustments is discussed during the kickoff meeting. Following the kickoff meeting, the incoming MAC should determine and address with CMS the staffing impacts and associated funding for the pending RA adjustments that will be required after the incoming MAC is fully operational and the moratorium is lifted.

73. It is important that the CMS directive for the RA adjustment moratorium is communicated timely and that both the incoming MAC and the outgoing MAC are informed of any decisions and/or changes to the RA process.

74. The incoming MAC should ensure that all applicable staff at all impacted CMS regional offices (ROs) are invited to the kick-off meeting as well as the workgroup calls. The incoming MAC should also provide the RO staff with the incoming MAC's project team contact information.

75. The incoming MAC and outgoing MAC should be mindful of email system limitations and discuss any size limits during the Kickoff Meeting. The incoming MAC should ensure the mailbox used for deliverables can accept large files in order to ensure deliverable submissions can be received. Files containing deliverables can be large and if they are unable to be supported through email other methods of delivery should be agreed upon.

76. The incoming MAC should consider spreading deliverable due dates across all days of the week rather than having all due dates fall on one particular day of the week.

77. The incoming MAC should be prepared at the kickoff meeting to present the outgoing MAC with the initial deliverables list, the naming convention for deliverable submission along with the documented process for requesting and submitting deliverables so that the outgoing MAC can begin work immediately following the kickoff meeting. The incoming MAC should assign a dedicated resource to maintain and distribute the list at agreed upon intervals. The list should be separable based on the workgroups, but there should only be one version of the list in circulation at any given time.

EXHIBIT 14
Workload Transition Lessons Learned (Cont.)

78. The outgoing MAC should ensure that the appropriate subject matter experts (SMEs) are in attendance during the workgroup calls week to week as this will ensure continuity of information shared and allows the incoming MAC to get timely and accurate responses to questions.

79. If the outgoing MAC is participating in any CMS demonstration projects at the time of transition, the incoming MAC should ensure that the VDC notifies the appropriate POC of the contractor number change.

80. The incoming MAC should verify their setup and access to the CMS ART System (ARTS) immediately following contract award, as some deliverables are due within days of the award date. The incoming MAC should also work with the CMS COR to ensure all contract deliverables are properly loaded into ARTS with the appropriate due dates.

81. The incoming MAC should verify the setup and access to the Fu Database for MR deliverables shortly following the contract award.

82. The JOA with the Single Testing Contractor (STC) was listed in the MAC SOW; however, the STC notified the MAC that a JOA was no longer necessary. CMS will be introducing a new JOA that will affect all MACs so a JOA is not required at this time.

83. Dark day requests should be submitted in conjunction with the pay forward requests when applicable. All system dark day requests should specify the day(s) and include a description of the impact and the business justification for why the dark day is needed.
    - Standard System Dark Day Requests: If a dark day will occur prior to cutover under the outgoing MAC's contract then the outgoing MAC should submit a request to the Outgoing Contracting Officer (CO), the Outgoing Contracting Officer's Representative (COR) and the CMS IT Lead. If a dark day will occur on or after the cutover date under the incoming MAC's contract, then the incoming MAC should submit the request to the Incoming CO with copies to the incoming COR and the CMS IT Lead.
    - HIGLAS Dark Day Requests: Follow the HIGLAS-defined process for completing and submitting Appendix R.

84. The incoming MAC should consult with the CMS Implementation Lead on the Lessons Learned format to ensure that it is user-friendly and is consistent with the workgroup structure prior to providing it to the transition stakeholders.

EXHIBIT 14
Workload Transition Lessons Learned (Cont.)

Communications

85. The outgoing MAC should provide the incoming MAC with all available provider contact information in the event that the incoming MAC needs to contact the providers prior to implementation.

86. A single point of contact other than the incoming MAC's Project Manager should be responsible for submitting all transition communications to CMS. A communications associate should be the main point of contact for all communication documents and activities between the MAC and CMS to make sure document submissions, review and approval are done in the most efficient manner possible and to maintain accurate version control.

87. To increase provider awareness of implementation information to the provider community, the incoming MAC should consider sending letters to both the billing address and physical practice locations.

88. The incoming 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.

89. A hyper-link to the incoming MAC's website should be added to the outgoing MAC's website to provide a communication vehicle for providers and vendors that have questions related to the implementation.

90. The incoming MAC should review the outgoing MAC's website to gain valuable insight into workload which could result in fewer deliverables and questions during the operational assessment.

91. Housing Part A, Part B and state-specific information separately on the website may allow easier navigation for providers.

92. The incoming MAC should establish a QA protocol to ensure information posted to their web site and issued in communications is accurate.

93. 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.

EXHIBIT 14
Workload Transition Lessons Learned (Cont.)

94. The incoming MAC should obtain the outgoing MAC's email listserv subscriber file at the beginning of the implementation.

95. The incoming MAC needs to notify providers early and frequently and reiterate the importance of using the new jurisdiction identification number post cutover. In addition to listservs, teleconferences/seminars and the use of audit trail messages, the incoming MAC should explore other venues to aid in communication so that the entire provider population is aware of the upcoming implementation and any changes they may be required to make.

96. Communication to the provider community should be initiated immediately after the kick-off.

97. 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.

98. The incoming MAC's communications team should ensure they develop concise communications to address the basic facts providers need without overburdening them with information they do not need to know in order to bill claims appropriately.

99. 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.

100. The incoming MAC may want to consider holding EDI specific webinars for the transitioning providers to help address any questions/concerns.

101. The incoming MAC should consider alternating days of the week and times for webinars and ACTs to allow for greater participation by their providers.

102. The incoming MAC may want to consider posting the Q&As addressed in the various implementation ACTs, workshops, etc. on their website to ensure the information reaches the provider community.

103. The incoming MAC should ensure that the outgoing MAC is aware, in advance, of all communications that the incoming MAC issues to the provider community. This will ensure that the outgoing MAC can respond appropriately to any inquiries they might receive regarding those communications.

EXHIBIT 14
Workload Transition Lessons Learned (Cont.)

104. It is important that the incoming 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 incoming MAC should publish any alternative methods for obtaining Medicare eligibility during the dark days.

105. The incoming 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.

106. The contractor should ensure that key transition information is distributed via listserv or website posting prior to conducting the first ACT. This will provide the audience with basic information before the teleconference and a written reference source for during and after the ACT.

107. In order to facilitate the timely release of provider communications related to dark day(s), last date to send EMC, etc., the incoming 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.

108. The incoming MAC should mail the provider welcome letter as soon as possible following the project kickoff. Additionally, it is critical that the incoming MAC supply the outgoing MAC with copies of Welcome Letters and other correspondence issued to providers.

109. When requesting provider address files to be used for mailing implementation communications, the incoming MAC must consider the purpose of the communication and where it specifically needs to be sent (i.e., the provider's billing/ 'pay to' address or the site of service address) so they can request that the outgoing MAC supply the appropriate address.

110. The incoming MAC should prepare for CMS review and approval a draft of the provider communication letter that details the critical system dates and other cutover information. The letter/notice should be prepared well in advance of the planned release date so that it is ready to be released to the providers as soon as CMS approves the dark days, pay forwards, etc.

111. The incoming MAC should expect higher than normal attendance at pre-cutover teleconferences; therefore, they should schedule them on multiple dates/times and

EXHIBIT 14
Workload Transition Lessons Learned (Cont.)

also increase the number of available telephone lines in order to accommodate the number of providers who attend.

112. In addition to utilizing normal methods (i.e., website, listserv) to reach the provider community, the incoming MAC should enlist the aid of any provider associations or organizations that issue a newsletter or similar communication mechanisms to share transition news.

113. In order to achieve the maximum number of participants at educational events, the incoming MAC should issue reminder messages over several days leading up to the event, including one on the day of the event.

114. In certain situations (e.g. when the jurisdiction implementation is on an accelerated schedule), CMS may approve a jurisdiction-wide communication plan in lieu of segment communication plans; however communication plan guidelines outlined in the Incoming MAC Handbook would still apply.

115. The incoming MAC should consider developing educational materials (e.g., flyer, pamphlet, etc.) that use the workload number to help Out of Jurisdiction providers (e.g. RHC, FQHC) understand which providers will transition and the date they will transition.

116. The incoming MAC needs to ensure providers have a phone number/help desk number for the portal should issues be encountered while trying to register/enroll.

117. Incoming MACs should ensure providers have the necessary information to access the portal the first day of operation. This may mean that they mail passwords a week prior to the implementation with instructions that the portal will not be available until day one.

Claims Processing/Operations

118. A comparison of the CMS 1500 form billing instructions should be performed by the incoming MAC and providers should be educated of any differences identified.

119. When entering quarterly reports in the CROWD system, the outgoing MAC should use the actual date that the reports cover rather than the quarter end dates.

EXHIBIT 14
Workload Transition Lessons Learned (Cont.)

120. The outgoing MAC should plan on working down inventories as much as possible prior to cutover. Incoming and outgoing MACs should be prepared for an increase in workload prior to cutover.

121. The outgoing MAC should provide weekly inventory reports to the incoming MAC workgroups to allow the MAC to adequately monitor inventory fluctuations. The outgoing MAC should begin sharing workload reporting immediately after kickoff to allow work on contingency plans if necessary. The incoming MAC's review of the outgoing MAC's pending workload is a critical measure. Any questions from the incoming MAC should be as detailed as possible since for example, asking the outgoing MAC of any unusual situations may not be explicit enough. What may not be defined as unusual to the outgoing MAC could be considered unusual to the incoming MAC.

122. The incoming MAC should notify the outgoing MAC's Regional Offices of the contractor changes so they can send Tie-In Notices to the appropriate contractor.

123. If an outgoing MAC determines that processing instructions are proprietary, the incoming MAC should assess the impacts and elevate issues as early in the implementation as possible.

124. The incoming MAC should request the outgoing MAC to stop accepting provider enrollment applications early enough to allow ample time for the outgoing MAC to complete any updates prior to the transfer. This generally occurs 7-10 days prior to cutover.

125. The incoming MAC should discuss all workload requirements and determine if the reports are from the standard system or site specific ad-hoc reports.

126. The incoming MAC should have internal discussions early in the process to ensure that the outgoing MAC's medical policy information is loaded in the incoming MAC's test region accurately in order to correctly process those claims received after cutover with-dates of service prior to the cutover.

127. The incoming MAC should perform early analysis to identify any problems with location codes. Incorrect location codes carried over from the outgoing MAC's system could prevent ICNs/CCNs from appearing on the new MAC's workload reports. In addition, waiting too long in the project to identify this type of problem may not allow the VDC the necessary time to systematically update/correct the system prior to cutover.

EXHIBIT 14
Workload Transition Lessons Learned (Cont.)

128. The incoming MAC should ensure unique activities (e.g. procedure specialties/provider types and volumes) handled by the outgoing MAC are discussed during the kickoff meeting.

129. When scanning OCR work for entry into FISS, the incoming 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 incoming 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.

130. MCS retains eight generations of purged history. The incoming MAC will need to ensure the PSC/ZPIC is aware of this so they can plan accordingly.

131. The incoming MAC should ensure discussions occur during the appropriate workgroup meetings regarding any PSC/ZPIC system logic (e.g. crosswalks, non-standard jobs, etc.) currently in place at the outgoing MAC to ensure the logic will be in place after cutover.

132. 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 incoming 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.

133. Any written instructions regarding file inventories, crosswalk samples, or image retrieval processes that are provided to the incoming MAC by the outgoing MAC 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.

134. The workgroup leads should consider preparing and sending questions to the outgoing MAC prior to the workgroup meetings. Doing so will allow the outgoing MAC to be prepared with answers at the meetings. This allows the meeting to flow more efficiently and shorten the meeting time.

135. The incoming MAC should advise the Recovery Auditor (RA) to use the MAC workload number and not the HIGLAS workload number when submitting adjustment files.

EXHIBIT 14
Workload Transition Lessons Learned (Cont.)

136. For HH+H workload transitions, the incoming 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 that are impacted by the different provider types. The incoming MAC should obtain a listing early in the transition detailing which providers are free standing and which are provider based.

137. The incoming MAC and outgoing MAC should coordinate with CMS on the scheduling of all provider enrollment revalidation activities that will occur during the transition period. The incoming MAC should also request that the outgoing MAC provide a listing of all providers who were issued revalidation letters during the transition as well as sample copies of the letters.

138. In cases where the outgoing MAC has active providers in more than one production region, the outgoing MAC should take action to update the appropriate region to deactivate the provider number (i.e., parent and sub-unit facilities active in two of the outgoing MAC's regions). This will prevent situations where the same provider is active in both the region that remains with the outgoing MAC and the region that transitions to the incoming MAC.

139. If the incoming MAC does not take over the outgoing MAC's customer service toll free lines, the incoming MAC and outgoing MAC should work together to ensure that the IVR and CSR phone lines are not disconnected at cutover. A post-transition message should be put in place to inform the caller that the number is no longer available and the incoming MAC's number should be provided for 30 days following cutover.

140. It is important to fully test IVR functionality, including the origin of the call (i.e., an outside source such as the customer's environment).

141. Education on the new IVR options and call flow needs to occur early and frequently to prevent a large number of calls being delivered to the CSR queue due to lack of familiarity with the incoming MAC's self-service tools.

142. When using a speech-enabled IVR application, it is important to consider the dialect or accent of the user. In previous implementations, callers failed the speech recognition aspects of the IVR and were delivered to the CSR queue. Proper tuning of the application should address this issue.

143. If the same outgoing MAC is involved in multiple workloads of an implementation, it is beneficial to have consistent IVR and written transition

EXHIBIT 14
Workload Transition Lessons Learned (Cont.)

messages reviewed and approved by the incoming MAC and CMS during the first segment. The same messages can be used for each workload and disseminated in a timely manner.

144. In order for the incoming MAC to analyze CERT errors in the jurisdiction, the incoming MAC's COR should obtain authorization from the outgoing MAC's COR for the MAC to access CERT data immediately after the contract is awarded. In addition, having access to the CERT files that the incoming MAC uses to initiate contact with providers (i.e. feedback) at least 1-2 weeks in advance of cutover enables the CERT Team to prepare accordingly.

145. The incoming MAC should request a copy of the outgoing MAC's Core Aged Inventory System Age Report as a deliverable and review it to identify 'over-activations' that can occur in MCS for certain work types, such as appeals, written inquiries, and account receivables. The outgoing MAC should eliminate any over-activations prior to cutover.

146. During Part B implementations where the incoming MAC is mapping/converting system files, the incoming MAC and outgoing MAC should form a cross-functional team consisting of staff members from claims, edit/audit processing, and enrollment to analyze action/reason (AR) codes and ensure definitions/meanings are mapped correctly from the outgoing MAC to the incoming MAC. All specialty type processing or unusual provider types (e.g., IDTFs, slide prep facilities, etc.) should be included in this detailed analysis.

147. The incoming MAC should obtain not otherwise classified (NOC) and drug pricing fees, as well as cutback modifier information for 22 and 52 early on so that a thorough review can take place in time to ask the outgoing MAC for additional information and/or clarification if needed.

148. MAC BCC escalations should remain with the outgoing MAC until cutover. As part of the transition process, the Contact Center Operations (CCO) Advanced Resolution Center (ARC) will transfer these escalations to the new MAC IDs once cutover occurs.

149. The incoming MAC should be prepared to question the outgoing MAC on their operational processes early in each of the workgroup meetings to ensure they have a thorough understanding prior to production cutover activities.

150. Ensuring that contractor specific TDLs/CRs are identified timely is essential, especially if the outgoing MAC's ECPS, SCF, SCC and Help files will not be

EXHIBIT 14
Workload Transition Lessons Learned (Cont.)

provided. The incoming MAC should request copies of these TDLs and a list of the CRs within the deliverable list and any discussions surrounding them should take place early in the implementation.

151. The incoming MAC should define and discuss the weekly workload reporting requirements they need from the outgoing MAC early on to avoid changes and keep the reporting consistent throughout the transition.

152. The incoming MAC should request that the outgoing MAC provide a breakout of aged workload within the inventory reports early in the transition. The aged workload should be monitored and discussed within the workgroups as cutover approaches to ensure the incoming MAC will not receive more than what they are expecting.

153. It is important that the incoming MAC identifies and tracks the volume of workload(s) that is pending at the outgoing MAC as a result of specific CMS claim processing 'hold' instructions that may have been established prior to or during the implementation phase.

154. The incoming MAC needs to ensure the incoming and outgoing contractors are fully aware of how the process of any pending NGD beneficiary complex inquiries will be transitioned over to the incoming MAC. The incoming MAC should request NGD to be present on customer service workgroup calls to discuss the process/requirements/actions to be taken by each participating party. The incoming MAC should also ensure there are cutover tasks for each contractor that has actions to be taken.

155. It is very important that representatives from the QIC(s) attend the scheduled Medical Review Operations workgroup calls for discussion on how the incoming MAC will receive notification of hearings from the QIC. The QIC should attend workgroup calls to ensure a proper process is in place for notification of hearings receipts post-cutover.

Financial

156. The incoming MAC should consider creating a document that will provide the outgoing MAC with direction on how to address financial workload situations post cutover. These documents should be distributed for discussion during the workgroup meetings to allow the outgoing MAC the opportunity to review, provide input and understand what is expected.

EXHIBIT 14
Workload Transition Lessons Learned (Cont.)

157. If HIGLAS roundtrip testing and bank file testing is being performed, they should be tested simultaneously because both require special set ups in FISS, in HIGLAS, and at the bank.

158. The VDC 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 VDC 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.

159. The incoming 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 incoming and outgoing MACs should pay particular attention to the cutover date and the 'go live' date when determining the last financial cycle for the outgoing MAC. If it is determined that the outgoing MAC'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 MAC provide separate financial reporting for those days. The incoming and outgoing MACs, along with the VDC, 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.

160. It is the incoming MAC's responsibility to release HPSA payments following the normal schedule rather than requesting the outgoing MAC to release the payments prior to cutover.

161. The incoming MAC should ensure an adequate number of round trips are added to the HIGLAS ITT testing schedule, if testing is performed. 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.

162. 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.

EXHIBIT 14
Workload Transition Lessons Learned (Cont.)

163. The incoming MAC should include tasks on the project plan to provide the incoming MAC with authorization and approval of temporary access to the old HIGLAS instance.

164. The incoming MAC should ensure that HIGLAS accommodates two bank account numbers: one for the outgoing MAC 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. 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 outgoing MAC close-out bank account.

165. CMS released clarification regarding the process for handling misdirected checks post cutover. The outgoing MAC is to follow the IOM instructions to continue cashing any misdirected checks and issue a new check to the incoming MAC.

166. After cutover, the incoming MAC is responsible for notifying providers and beneficiaries of outstanding checks and the procedures for getting the stale dated checks reissued if requested.

167. The holiday/financial calendar should be addressed as part of the transition planning activity to avoid last minute updates to the cycle calendar schedule.

168. 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. VDC, IBM or contractor.

169. 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 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.

170. The Contractor Setup for the Bank vs. Contractor Holidays should be validated. When validating the fields in 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.

EXHIBIT 14
Workload Transition Lessons Learned (Cont.)

- 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.

171. The BR100 should be updated so that if there are fields that have pre-determined abbreviations being used by CMS, (i.e. the MAC name as JXXX instead of the company name) the abbreviation logic be included. This way the document is only completed one time if possible.

172. When a scheduled PIP/Pass-through payment falls on a federal holiday, the payment is moved. The incoming MAC needs to ensure the schedule is "reset" after the holiday to ensure future/upcoming PIP/Pass-through payments are not delayed.

173. The incoming 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.

174. When a MAC is obtaining a new bank account number and the old bank account number is remaining active, the BR100 needs to specify that the old account number is remaining active so HIGLAS can continue to handle the bank clears for the old account number.

175. The incoming and outgoing MACs 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.

176. In order to avoid delays in the validation process, the incoming MAC 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.

177. If the workloads within one HIGLAS org are handled by more than one VDC, the incoming and outgoing MACs and HIGLAS must work together to ensure that the VDC 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.

EXHIBIT 14
Workload Transition Lessons Learned (Cont.)

178. When there are differences in the mailroom factor between the incoming and outgoing MACs, a thorough review of the HIGLAS cutover tasks, including the pay-through dates and possible need for dark days is necessary. Discussions on the mailroom factor should begin early in the appropriate workgroup(s) with input from the HIGLAS team and all necessary HIGLAS tasks should be incorporated into the production cutover plans. In addition, to alleviate any misunderstanding, the CMS HIGLAS team should review the mailroom factor in advance of the cutover with the incoming MAC and outgoing MAC to ensure there is mutual understanding. Also, it should be noted that mailroom factors can be different for AP and AR and CMS HIGLAS clarified that the AP mailroom factor is calculated when the cycle ends.

179. 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.

180. Due to the mail room factor in place at an outgoing MAC, it is common for demand letters generated during the cutover period to contain the outgoing MAC's name and mailing address even though the date on the letter may be after the production cutover date. CMS has indicated that there are no concerns or contractual issues with this since the outgoing MAC's contract is kept open for a sufficient period of time following cutover to cover the various close down activities.

181. CMS has determined that the incoming MAC should utilize the same bank for all workloads associated with the jurisdiction.

182. The incoming MAC should ensure that they have a thorough understanding of how the bank clears files will be processed. The incoming MAC will need to be prepared to receive and process their own daily bank clears files as well as the outgoing MAC's daily bank clears file. The incoming MAC should ensure that any associated non-base jobs are developed, tested and implemented prior to cutover.

183. The incoming MAC should verify whether or not the outgoing MAC uses a conversion program or other contractor-specific bank interface.

184. The incoming 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.

EXHIBIT 14
Workload Transition Lessons Learned (Cont.)

185. In a HIGLAS split, when a decision is made for the outstanding checks to remain in the outgoing MAC's original HIGLAS org rather than to transition them to the incoming MAC's HIGLAS org, the VDC can execute a tool job to update FISS to match HIGLAS. This eliminates the need for manual effort on the incoming MAC's side.

186. Each HIGLAS org must have its own Letter of Credit (LOC). HIGLAS orgs cannot share the same LOC.

187. During a HIGLAS rename, the outgoing MAC experienced a problem with the EUA "hold until" feature when end dating employees' access. There were several outgoing MAC employees who required access to HIGLAS during the weekend that were at risk of having their access removed before the weekend. Action was taken to abort the disconnection for these individuals. As a workaround, HIGLAS approved new access for the employees through the business owner level in EUA in case new access was required. For future transitions, the incoming MAC and outgoing MAC should discuss with CMS HIGLAS whether access termination requests should be submitted after the cutover.

188. Regardless of the type of HIGLAS transition (i.e., a full blown rename versus a rename executed via a Problem Management Request <PMR>), a walkthrough of tasks on the HIGLAS plan should be conducted to ensure that the tasks are understood well in advance of the cutover. All parties involved in the HIGLAS transition (including the HIGLAS subcontractors) need to participate in the cutover walkthrough to ensure that the timing of all activities are laid out properly over the cutover weekend and that there is no confusion.

189. The outgoing MAC should review their 1099 requirements with CMS to ensure that the 'through date' matches the date specified in the TDL. It is critical that the outgoing MAC use the same date when running the 1099 reconciliation report.

190. If bank changes are necessary during Part B 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.

191. 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 in a 00 status and cannot be changed to a 02 (outstanding) status until they are purged from the online file after a month.

EXHIBIT 14
Workload Transition Lessons Learned (Cont.)

192. The VDC indicated that the jobs that run to simulate file transfers from FISS to HIGLAS in UAT should not be run during the first UAT cycle. Running the jobs in the first cycle caused an abend due to an incorrect workload ID for the 835 file and the file simulation utility.

193. Files out of the first FISS cycle were initially rejected at HIGLAS because there was a conflict with the contractor number on the file name. This error occurred because the NDM parms did not get updated; therefore, the parms picked up the files that existed before the FISS renumbering process ran. The VDC should consider storing all updated NDM elements in a single library to prevent this from occurring in the future.

194. If a 1099 closeout report is run in test, the outgoing MAC should ensure that the test parameters are reset when it is run again at cutover. In order to validate the length of time needed to run the 1099 closeout report on the production cutover plan, CMS HIGLAS provided direction that the 1099 reports can be run in production prior to cutover.

195. In order to avoid out-of-balance issues during HIGLAS rename reconciliation, the incoming MAC should ensure that the month-end date is used to run the Financial Integrity Reports and the cutover date is used on the TROR.

196. To minimize financial reconciliation variances, the incoming MAC should ensure that the Write-off Closed Process Program is not run during cutover. Otherwise, variances are created for the accounts receivable that reflect as open on the financial reports.

197. Early on, the incoming MAC needs to consider and discuss with the outgoing MAC and CMS, the banking approach that will be utilized for the implementation in order to ensure that the appropriate bank account information (e.g., clears files, etc.) is moved into HIGLAS post cutover. Viable options are a novation agreement (i.e., the incoming MAC resumes responsibility for the outgoing MAC's bank account upon cutover) or having the outgoing MAC maintain ownership of the bank account until it is closed.

198. The incoming MAC should engage the CMS POCs for PS&R/STAR early in the implementation for processes and tasks necessary to ensure access is ready for cutover weekend.

199. The BR100 validation process must be clearly defined to avoid confusion regarding necessary steps/order of events. In a previous MAC implementation,

EXHIBIT 14
Workload Transition Lessons Learned (Cont.)

the checklist tasks related to sending of HIGLAS conversion reports did not specify method of delivery. This caused unnecessary confusion 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.).

200. Validation of the HIGLAS BR100 non-confidential survey cannot be completed until after the first production cycle when letters are produced.

201. Financial activities are required for an incumbent MAC-to-MAC Contract Transition even when HIGLAS orgs do not require renames. All financial cutover activities need to be fully defined, documented and shared with impacted CMS components (AMG, HIGLAS, and MCMG) to ensure scheduling, coordination and support is available prior to finalizing cutover and other key dates. Shortly after kickoff, the incoming MAC should work with all appropriate CMS, components to better understand which financial closeout reports will be necessary. CMS should then issue the CMS Financial Closeout TDL detailing the requirements. All HIGLAS team members should be provided a copy of the TDL in advance of the closeout weekend activities so that they are aware of the closeout process (e.g., as-of dates for reports) and timing.

202. The TDL for the AR Transmittal may have two different “as of dates” for the reports to be run by the incoming MAC and outgoing MAC; therefore, it is important that the outgoing MAC validate that the correct "as of date" is run by the HIGLAS subcontractor.

203. The incoming MAC needs to ensure that they review all changes to HIGLAS letters in advance of the cutover in order to prevent HIGLAS letters being generated/mailed with incorrect information in the headers/footers. This is specifically important since there is no HIGLAS testing for renames.

204. The HIGLAS team should verify the BR-100 set-up for the AR Miscellaneous Receipts account prior to production cutover.

205. The HIGLAS team should verify that the BR-100 set-up accounts for incoming MAC users have authorization in HIGLAS to make adjustments in excess of one million dollars as appropriate.

EXHIBIT 14
Workload Transition Lessons Learned (Cont.)

206. The HIGLAS team should ensure that the BR-100 is properly updated to prevent the outgoing MAC's contact information being contained in the incoming MAC's demand letters that are generated out of HIGLAS.

207. It should be noted that the reconciliation processes cannot occur until the outgoing MAC posts their final LOC entries and the HIGLAS subcontractor runs the unaccounted transactions process. Once this process completes, the outgoing MAC can start running their reports and reconciling.

208. When making a change to the FISS financial master intermediary address field, there is a FISS Parm FSS2301 that needs to be change to match the bank ID. Not making this change would result in a payment issue and funding to be disbursed out of an incorrect bank account.

209. The incoming MAC should ensure that all appropriate components of CMS Financial (i.e. CMS HIGLAS and their subcontractors, incoming Contracting Officer or representative, CMS OFM), are part of any coordination, planning and consultations. In situations where LOC changes are being made all three components of CMS Financial should be involved. Even in cases of incumbent MAC-to-MAC contract transitions or where no other system changes are necessary, HIGLAS may need to make LOC changes in HIGLAS.

210. To eliminate situations where the EUA roles are removed from the outgoing MAC users' profiles while the users continue to have their access in HIGLAS, the incoming MAC should use the EUA Hold Until function and enter the disconnect requests to take effect on the Monday after cutover. The transactions are processed early on the designated day. To prevent HIGLAS errors, the incoming MAC should schedule renames of HIGLAS responsibilities to new format after disconnects of outgoing MAC's users have completed in EUA and HIGLAS.

Resources/Infrastructure

211. The incoming 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.

Systems/EDI

212. 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 jurisdiction identification number for each workload. CMS

EXHIBIT 14
Workload Transition Lessons Learned (Cont.)

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.

213. The incoming and outgoing MACs and the VDC 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 VDC to ensure that there are no negative impacts to providers attempting to access the existing region.

214. If an implementation occurs on a non-quarter-end date, the incoming MAC should work with the outgoing MAC and the VDC to determine whether a quarterly cycle needs to run as part of the close-out cycle. Analysis needs to be performed by the incoming and outgoing MACs to determine which reports are needed and the VDC needs to determine what changes or updates are needed in order to accomplish this.

215. The incoming MAC should test processes related to encryption software as early as possible with the outgoing MAC to ensure the versions are compatible.

216. The incoming MAC should submit and test any necessary security access for production simulation well in advance of weekend activities. This will eliminate the possibility of a delay in production simulation activities due to security issues.

217. Requests for access to the outgoing MAC's systems need to go through the outgoing MAC and should not be sent directly to the VDC.

218. Before copying files, the VDC should ensure all release conversions are in place for those files being copied.

219. The FISS maintainer should ensure that all GINS are fully addressed and that any long-term solutions are determined before the GINS are closed.

220. In situations where history files are not in the current FISS file formats, the VDC should ensure that the outgoing MAC's data center understands the requirement to convert all data to current FISS formats prior to transferring the data to the VDC.

221. The FISS maintainer should develop and submit written documentation when they distribute utilities and releases.

EXHIBIT 14
Workload Transition Lessons Learned (Cont.)

222. The incoming MAC must identify their site-specific needs in advance of the MAC to MAC implementation start date and determine who will be responsible for implementing and maintaining the site-specific software.

223. The incoming 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.

224. A careful review of the incoming MAC Interface Log should be performed very early in the Jurisdiction implementation.

225. If a state(s) will have a new CWF site, the VDC should update the Interface Log Process to include having a separate meeting to review the CWF interface to ensure the new site portion setup is complete. This should prevent issues with CWF replies not being received post cutover.

226. The incoming 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. 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.

227. The incoming 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 jurisdiction identification numbers. CMS is unable to provide written notifications to the incoming MAC when security requests are completed.

228. It is recommended that the incoming MAC maintains separate interface requirement documents for Part A and Part B processing for each impacted data center.

229. The incoming 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 the incoming MAC requires assistance from the outgoing MAC to complete testing.

EXHIBIT 14
Workload Transition Lessons Learned (Cont.)

230. The SSM and the VDC should define and implement controls to ensure security updates occur in the appropriate region and files are loaded to the appropriate region.

231. 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.

232. The incoming MAC and VDC need to mutually agree upon the specific files, jobs, or reports that the incoming MAC expects the VDC to run or validate.

233. If CA-View reports are to be deleted at the request of the outgoing MAC for proprietary reasons, the VDC should scan for the reports using only the report name. Using both the report name and current job to scan will not locate any reports under a previous job and some reports that should be deleted may be missed.

234. The incoming 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.

235. The VDC should ensure that procedures are in place to prohibit the incoming MAC from overlaying any production files prior to cutover (i.e. production SPITABs).

236. The incoming 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 MAC 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.

237. When validating print files, the incoming MAC should insure that a sample of the EMC files that are selected are for those providers set to receive hardcopy RA's.

238. The incoming 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 incoming MAC on problematic areas to review based on their experience from previous transitions.

EXHIBIT 14
Workload Transition Lessons Learned (Cont.)

239. The incoming MAC needs to research the values for locations, edits/audits, etc. that they are inheriting from the outgoing MAC 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. Issues discovered during testing should be communicated as soon as they are identified. This should allow the VDC time to resolve the issues prior to production cutover.

240. 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.

241. The VDC needs to run the appropriate conversion jobs to change the contractor number within the check cross reference file.

242. The VDC 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.

243. In order to avoid possible delays, the VDC should verify that the scheduling request is complete in enough time to convert the cycle from manual to automatic.

244. The incoming MAC should validate that appropriate staff have test and production access to CA-View for cutover.

245. For multi-state workloads running in a single CICS region, FISS will only accept a rollup number as input from EDI submitters. There is software to split files and separate by state contractor numbers in FISS, however, the incoming 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.

246. 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.

247. The incoming MAC, the SSM, VDC and HIGLAS team 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 outgoing MAC.

248. The incoming MAC should ensure that the Criteria file regions match the outgoing MAC's Criteria file regions to avoid an out-of-balance condition

EXHIBIT 14
Workload Transition Lessons Learned (Cont.)

between the outgoing MAC's workload volume and the incoming MAC's workload volume.

249. Once dark days and cycle schedules are finalized, the incoming MAC should hold a walkthrough call with the CWF host and the VDC 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 jurisdiction identification numbers.

250. The incoming MAC should ensure that the Operator Control File/ DDE logons transferred at cutover have a match on the RACF report. In addition, the incoming 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.

251. To ensure external DDE users have timely access, the incoming 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. In order to eliminate confusion for those providers that do not submit claims directly to a MAC, the incoming MAC may want to consider developing EDI communication based on the multiple types of recipients (i.e., trading partners, vendors, and providers).

252. Early discussion between the incoming MAC and VDC should occur to determine base setup for UAT and CA-View. For example, the VDC should discuss plans with the incoming MAC prior to setting up CA-View to ensure there isn't coding being done that will need to be removed.

253. To ensure that key incoming MAC personnel have system accesses that they need to perform analysis and/or maintenance, 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 the incoming MAC.

254. Early set-up and testing is recommended when setting up MCSDT for a new site. There have been problems with prior implementations where the incoming MAC was unable to set up MCSDT in their current environment.

EXHIBIT 14
Workload Transition Lessons Learned (Cont.)

255. The VDC 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 contractor conversion process.

256. During cutover planning, to prevent an issue with duplicate claims posting in CWF, the MCS maintainer stated that their documentation will be updated with a recommendation to increase the recycle days for location 60 claims during the first weeks of transition.

257. In order to minimize manual work effort, the incoming MAC may want to consider copying the end of year maintenance performed in the outgoing MAC's UAT region into their UAT region. CMS should be consulted for approval to do this.

258. The incoming MAC's Project Manager and the CMS Implementation Leads need to be included in all discussions related to the testing phases (i.e., UAT, prod-sim and cutover) between the VDC, and the HIGLAS team so that conflicts can be identified early and appropriate steps can be taken to reschedule tasks/phases as necessary.

259. The incoming MAC needs to be aware that only NPI connectivity can be tested prior to cutover.

260. Remittance testing should be performed early to ensure submitter configuration.

261. Ensure the incoming MAC contractor data center has file triggers in place before first cycles of UAT, production simulation, and production cutover.

262. The incoming MAC or the VDC should schedule and conduct daily meetings during UAT to review the status of tasks on the UAT cutover schedule.

263. To avoid any unexpected delays and unnecessary research, all jobs identified in the MCS MAC contractor conversion process document need to be executed during UAT, prod sim and cutover, unless otherwise noted in the document.

264. To ensure a large number of historic system reports are not being transferred unnecessarily, the incoming and outgoing MACs should perform analysis to identify required reports/data needed. This process may minimize the volume of required NDM transmissions.

EXHIBIT 14
Workload Transition Lessons Learned (Cont.)

265. To ensure a successful transition, ample time will need to be given for the incoming MAC and MCS Maintainer to complete their verification during all testing phases (dry runs, UAT and production simulation) and cutover.

266. When the incoming MAC needs to have the VDC run an extra weekend cycle and needs the onlines available on Sunday to perform checkout, they should ensure that a formal written request to have the onlines available is submitted to the VDC prior to scheduling the weekend activities.

267. The MCS National Abstract File Requirements document needs to be reviewed and understood by the incoming MAC and VDC 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.

268. During UAT and production simulation, the incoming and outgoing MACs 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.

269. If the outgoing MAC 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.

270. The VDC will need to address the current emulators that are allowed into the data center by all third party networks that support provider DDE access.

271. The MAC had difficulty in getting FISS and the VDC 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.

272. 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 specify when and where the copying will occur. If the operator control file is not copied for the incoming MAC, then only the outgoing MAC's staff will be able to access the region for testing.

273. For ITT, if a new FISS testing region is created, both the outgoing and incoming MAC need to be aware of the high level qualifier established at the VDC in order to set up the sweeps process. Without the high level qualifier, the sweeps process cannot be established.

EXHIBIT 14
Workload Transition Lessons Learned (Cont.)

274. 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.

275. 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.

276. The VDC and the MCS maintainer should perform a quality review to confirm setup of the maintainer's access to the temporary environment.

277. The VDC should consult with 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.

278. The incoming MAC 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 incoming MAC should continue to review these reports daily during UAT and prod sim to ensure there are no issues with activations, location moves or location transfers, while testing is occurring.

279. 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.

280. 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.

281. The MAC should begin testing with the PULSE contractor early in the transition to prevent last minute changes.

282. Security access and TPX menu changes should be requested and validated in advance of the date of when they are needed.

283. The incoming MAC, VDC and SSM should discuss pending software fixes awaiting implementation prior to cutover to ensure any workarounds can be added to the cutover plan.

EXHIBIT 14
Workload Transition Lessons Learned (Cont.)

284. 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.

285. The process to update a PCF file daily is part of the MCS base system; however, the incoming MAC must obtain approval from CMS for the non-base job that creates a daily copy of the file for the VDC to send to MCS.

286. The outgoing MAC should complete a balancing report to ensure that all of the submitter ID's are included on the files prior to them sending it to the VDC 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.

287. In order to avoid connectivity issues which could result in system outages, the cutover plan should include a task to check the HIMRHOST CWF connections within the CICS region prior to cutover.

288. Incoming 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.

289. When using an outgoing MAC's file(s), such as the reason code file, the incoming MAC and outgoing MAC must establish protocols to determine how the files will be kept in sync from the time that they are copied until production cutover.

290. The incoming MAC should ensure the security settings are set to match the outgoing MAC'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.

291. The incoming 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 incoming MAC from receiving the appropriate financial and print output in the prod simulation region.

292. The incoming 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.).

EXHIBIT 14
Workload Transition Lessons Learned (Cont.)

293. To avoid abends due to space issues, the incoming MAC should verify the SCF database can handle additional rules that may need to be added. In addition, the incoming MAC should check with the MCS maintainer to see if they can provide automated on-request processes for the following:
    - SCF Database Percent Utilization Report
    - SCF Database Reorganization with size adjustments

294. The incoming MAC should discuss workload reporting requirements with the VDC in advance of the cutover to ensure that both entities understand and agree with the dates and parameters to be used for the reporting jobs.

295. When the VDC is creating temporary CICS regions, the non-base jobs that are approved for other incoming MAC production regions will automatically be approved for the temporary regions. However, the incoming MAC needs to ensure that the non-base jobs needed for the temporary regions are identified on the CMS Part A/B non-base spreadsheet.

296. The incoming MAC should ensure that they fully understand any new process being implemented during an implementation and weigh the benefits and risks when deciding whether or not to introduce the new process.

297. When implementing CA-View during a MAC implementation, the incoming MAC should clearly define how they want to handle the exception reports including destination and type of files to prevent misrouting.

298. The incoming MAC should work with the outgoing MAC to configure and test NDM connectivity early in the transition so that an alternative approach can be planned if the NDM functionality is not timely. NDM transfer increases efficiencies for electronic file transfers as it does not require additional encryption.

299. Before copying files, the incoming MAC should ensure that the VDC and the SSM have accounted for all aspects of the release installation (including reference files and copy books) to each UAT and production CICS region.

300. It is critical that the incoming MAC provide the VDC with any special-handling requirements for all files prior to UAT installation and production cutover so that requirements can be developed and tested. This will prevent any delays caused by receiving requirements late.

EXHIBIT 14
Workload Transition Lessons Learned (Cont.)

301. When determining the appropriate action for handling MCS reference files, the incoming MAC should review the CCP documentation and ensure the following activities are completed:
    - Early in the project, the incoming MAC should work with the MCS maintainer to determine how to handle copying and/or changing reference files,
    - The incoming MAC should send a cycle Change Request to MCS production support to make the changes needed, and;
    - The incoming MAC should provide the reference file specification to the VDC prior to UAT to provide time for testing and verification before production cutover.

302. The outgoing MAC should discuss with the incoming MAC any changes that they intend to make to the EDI process prior to cutover so that a cohesive communication plan can be developed. In addition, the outgoing MAC should consult with the incoming MAC on any file clean-up activities prior to undertaking these activities. This will give the incoming MAC an opportunity to request that the outgoing MAC hold off if they so choose.

303. The incoming MAC should ensure that they do not have non-base or other logic turned on to place claims with an 'X' in the tape-to-tape flag into a hold location during a Part A ITT or IPS.

304. The incoming MAC should communicate with the CMS PECOS lead to ensure that access to the PECOS platform will be in place for production cutover even when access has already been validated in UAT. This communication should prevent last minute issues that may be caused a result of changes to the EUA platform. The incoming MAC should also ensure that the PECOS work plans are kept current by the owner of the plan and that the plan is re-distributed to the incoming MAC and outgoing MAC when modifications are made.

305. The incoming MAC should request that the outgoing MAC exclude inactive providers and outdated address information from the EDI submitter listing. The outgoing MAC should review the criteria used to pull the listing to ensure that only current active information is gathered. The outgoing MAC should also verify the final list and modify it if necessary prior to sending it to the incoming MAC.

306. If early boarding cannot be accomplished due to an accelerated transition, the incoming MAC that uses the existing EDI trading partner IDs should consider dual delivery of the 835 Electronic Remittance Advice for a period of time prior

EXHIBIT 14
Workload Transition Lessons Learned (Cont.)

to cutover (i.e., production ERAs would be delivered to the outgoing MAC and the incoming MAC). The incoming MAC would then build a history of ERA files. This would reduce the need for providers to maintain connectivity to both contractors post cutover. This would also give the EDI trading partners the ability for testing and identifying changes to their remittance back-end processes.

307. The incoming MAC and outgoing MAC need to collaborate closely on how to approach the early boarding process. Some important items for consideration:
    - How to handle those submitters who may be submitting claims to more than one MAC contract at the outgoing MAC.
    - How the incoming MAC will notify the outgoing MAC of the early boarding submitters and their effective dates.
    - How the outgoing MAC will notify the incoming MAC of submitter inactivation.
    - Agreement between both contractors on how many files will be sent each week to eliminate confusion and ensure support.
    - Ensure the early boarding files are submitted with correct payers and test files. The incoming MAC may want to work with the outgoing MAC to develop an edit to ensure submitters utilize the valid payer code in the 1000A segment and that it matches the value in the ISA.
    - When working through the integration of the CEM reference files, ensure there are discussions regarding the versions that will be used.
    - It is extremely beneficial to continually monitor the inbound traffic in conjunction with rejection percentages. This will give the incoming MAC a good standard of how much of the expected daily workload was received and what is remaining.
    - The incoming MAC should closely monitor the first several early boarding files to ensure successful transfer.

308. Since the incoming MAC and outgoing MAC may use the Provider Control File differently, data received for early boarding could be inaccurate or contain duplicate information. The incoming MAC should carefully review the early boarding data received and pose any questions to avoid unnecessary work effort.

309. The incoming MAC should add steps to their Risk Management Plan that include monitoring the CEM rejection rates during external provider testing and verifying that all records on the NPI load file are loaded during production simulation and prior to the EDI ‘go live’ date. This will allow the incoming MAC to resolve issues in test and prevent invalid EDI rejections at cutover.

EXHIBIT 14
Workload Transition Lessons Learned (Cont.)

310. The incoming MAC should encourage EDI submitters to perform aggressive testing with the incoming MAC including the reporting of the new contract ID through the telecommunications platforms and the CEM processes.

311. Careful planning and diligence is needed to ensure that the data center loads all CEM reference files prior to the incoming MAC receiving EDI files for the first production cycle.

312. When the outgoing MAC utilizes a 'back-end' EDI process in MCS, careful consideration is needed during the planning of the last day to receive EDI files. All MCS outputs must be processed by the outgoing MAC to ensure a streamlined transfer to the incoming MAC.

313. Checks should be generated out of the UAT and/or prod sim regions to ensure that the print jobs run as anticipated, to validate MICR printing and to validate clears through the bank.

314. The provider Action Reason (A/R) code files should be updated, tested and validated in the UAT region prior to entering the updates in the production region to ensure accuracy.

315. The incoming MAC should confirm connectivity with the COBC prior to cutover.

316. The outgoing MAC should send the active DDE RACF ID spreadsheet to the incoming MAC prior to cutover weekend so that the incoming MAC can validate that the connection to the data center is established correctly. In addition, a separate spreadsheet should be used if there are separate regions involved in the transition.

317. The incoming MAC may want to discuss with the outgoing MAC their willingness to provide EDI support and supply providers with copies of historic reports; (i.e., 999, 277, 835 etc.) for a period of time post-cutover. In cases where the outgoing MAC will provide post-cutover ERA support, the incoming MAC should ensure the commitment from the outgoing MAC's EDI Team early on in the implementation. This is especially important if the outgoing MAC is exiting the Medicare Program.

318. The VDC should call attention to upcoming shakedown activities during the Weekly Jurisdiction Implementation Status meetings to avoid any cycle delays

EXHIBIT 14
Workload Transition Lessons Learned (Cont.)

and ensure that all participants remain aware of the timing for needed set-up actions, especially if there are multiple segments in progress.

319. All non-base jobs (critical and non-critical) should be tested and files validated during production simulation.

320. The incoming MAC should determine the non-base processes the outgoing MAC has in place and inform the VDC which of those processes will be inherited, replaced or discontinued.

321. The incoming MAC should provide the VDC with non-base application changes as early as possible prior to cutover weekend. The formal production non-base release procedure should be done after the last production simulation cycle (which is normally the Monday before cutover weekend) rather than waiting until the Friday before cutover weekend. This will give the VDC five days to complete the release.

322. It is important for the outgoing MAC to identify all non-base applications used and make the software available to the incoming MAC. Any application that an outgoing MAC is not sure about (due to proprietary considerations) should be discussed and cleared with CMS as early as possible in the implementation.

323. For Part B crossover claims, the incoming MAC should ensure that all MCS processing message codes on the various SPITAB tables are properly cross-walked from the outgoing MAC.

324. Early in the transition, the incoming MAC needs information regarding how the outgoing MAC 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 incoming MAC to perform maintenance and/or the VDC 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).

325. Expanding the testing timeline for demonstration projects and jurisdictional specific requirements that includes a complete end-to-end test from EDI claim submission through producing the ERA file is beneficial in determining setup issues within base and non-base files/jobs. Additionally, the incoming MAC

EXHIBIT 14
Workload Transition Lessons Learned (Cont.)

should not underestimate the amount of time that is needed to conduct full end-to-end testing, including CWF setups, edit/audit setups, etc.

326. If significant conversion changes are being considered for release mid-MAC transition, the changes and proposed release schedules should be documented and discussed early in the transition so that impacts can be assessed and transition testing schedules modified as needed to mitigate the risk of negative impacts to testing.

327. The incoming MAC should verify if the weekly MSN job will be run at cutover for the outgoing MAC. The outgoing MAC should run the last MSN job and not require the incoming contractor to run and send the files.

328. During the testing phase of Part A implementations, the incoming MAC should ensure the EFT Fund Delay and the Delay days on the PINT screen in FISS are set up as expected.

329. When CRs are issued during the implementation phase and approval from CMS is obtained to process the workload post-transition, the incoming MAC should discuss with the outgoing MAC, the standard system maintainer and the VDC any necessary payment file changes that may be needed to ensure the workload numbers will be updated appropriately.

330. The incoming MAC should work closely with the MCS Implementation Team and discuss early on in the appropriate workgroup meeting(s) what the incoming MAC should expect regarding the cross-walking of the ERAs/SPRs/MSNs and what needs to be done in order to ensure all messages are cross-walked properly at cutover.

331. Any new processes or systems (such as a new imaging system) that are being implemented by the incoming MAC between the kickoff and cutover should be evaluated from start-to-finish to identify all impacts to transitioning workloads.

332. The incoming MAC should submit requests for automated job requests early on in the transition and not the end of the transition. Waiting until the last month of transition does not allow the Systems team to get the jobs updated timely.

333. The FISS or MCS maintainers should be invited to breakout meetings where systems and files are being addressed so they may answer questions and address potential issues during the call.

EXHIBIT 14
Workload Transition Lessons Learned (Cont.)

334. Separate security meetings with the appropriate stakeholder security staff members (IMAC, VDC, etc.) should be held to ensure that everyone understands what security clearance is required and how it needs to be obtained.

335. The incoming MAC should ensure that any outgoing MAC system logic tied to demonstration projects (e.g. demonstration codes tied to CWF edits) is accounted for and updated appropriately for transition.

336. In situations where the incoming MAC is requesting to take over the outgoing MAC's existing CICS UAT and/or production regions, transition stakeholders (with CMS input) need to carefully consider the added risks associated with a shared UAT environment. Once a decision is made to share the regions, the MAC should take immediate action to coordinate region access and maintenance with the outgoing MAC. The incoming MAC should develop a written plan and hold separate meetings to ensure all stakeholders are in agreement with how access and maintenance will be handled. The following are key areas/activities that should be addressed and documented:

Procedures and Controls

- The plan should clearly define tasks for the UAT turnover including a process for handling any CRs/emergency updates, etc. that may be issued during the timeframe from when the UAT region is turned over to the incoming MAC until production cutover.
- A checklist should be created to list the various types of approvals the incoming MAC must obtain from the outgoing MAC (e.g. PSUP extract files, CEM extract files). Knowing what approvals are required would prevent the possibility of a delay in key activities that could impact cutover.
- The outgoing MAC and incoming MAC must ensure that controls are in place to verify that documented joint operating procedures are adhered to by all employees.
- The outgoing MAC should ensure that procedures and controls are in place to prevent the inadvertent deletion of non-base files and jobs. The outgoing MAC should provide a list of elements to be deleted for the incoming MAC to verify.

Security Access Requests

- The incoming MAC should work with and conduct separate security meetings with CMS, SSM, HIGLAS, VDC and the outgoing MAC to ensure that all security requirements are documented and understood and that the appropriate forms are submitted timely.

EXHIBIT 14
Workload Transition Lessons Learned (Cont.)

- When submitting an access request to the outgoing MAC, the incoming MAC should prepare a concise and all inclusive list of employees outlining what access is requested, along with justifications. This list should be submitted to the outgoing MAC early in the transition so that last minute changes can be avoided.

SCF considerations

- The incoming MAC should ensure that the procedures for operating in a shared Part B environment address the outgoing MAC running the clist. The incoming MAC and outgoing MAC must develop clear, detailed parameters for SCF updates.
- The MCS maintainer should consider providing separate UAT and production SCF databases. This would eliminate access issues related to running the clist in a shared UAT environment.

Testing and Maintenance

- In many cases, the incoming MAC will have a limited window to complete testing and file maintenance since the UAT region is typically turned over shortly before cutover.
- Although ongoing non-transition-related maintenance should be minor, there may be the need for CR or emergency updates and adequate time should be allotted for the incoming MAC to complete the necessary file maintenance and testing.
- Coordination between the incoming MAC and the VDC is necessary to ensure that if a TACS copy job is run prior to cutover; the updated file does not get moved into the outgoing MAC's production region.
- External DDE users typically retain their user ids and passwords. Unless action is taken to block their access, providers will be able to access the production region during the cutover weekend while conversion activities are occurring. The incoming MAC may request that the FISS maintainer provide the VDC with a job to remove the external DDE users from the operator control file once the closeout cycle completes. The VDC can then execute a job to restore the external users when the incoming MAC completes their validation activities.
- The incoming MAC and outgoing MAC should ensure that the roles and responsibilities for end dating the outgoing MAC's LCD edits/audits in the shared UAT region are clearly communicated early in the transition.
- In cases where activities overlap with quarterly releases, careful attention needs to be paid to release coordination and any impacts associated with the contractor number changes. When there are pricing file updates for a quarterly release after the UAT conversion has already taken place that

EXHIBIT 14
Workload Transition Lessons Learned (Cont.)

need to be implemented prior to production cutover, the outgoing MAC needs a way to validate the changes before they are loaded into the production region. This is problematic because the contractor number in the UAT region is already converted to the new contractor numbers while the pricing files contain the old contractor numbers. The MCS maintainer developed a process that utilizes a new datain which will allow the pricing files to be implemented in the UAT region with the old contractor number, tested and then replaced with the new contractor number when testing is complete.

- It is recommended the incoming MAC complete UAT and production cutover under the same release whenever possible.

Cutover/Workload Transfer

337. The incoming MAC should review the *A/B MAC Cutover and Workload Transfer Planning Document* at the start of the cutover planning process.

338. If it can be avoided, the segment cutover should always take place over the weekend since a weekday cutover requires transition activities to begin late-night which causes other activities to be delayed since they cannot be performed until the system is available (e.g., verification of SPITAB table updates).

339. 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, etc.).

340. If it is determined not to perform a production simulation, the incoming MAC should work with the VDC and SSM to try and determine a 'best guess estimate' for task times prior to the stakeholder Cutover Plan walkthrough review. Doing so will help stakeholders address questions or determine if task changes are necessary.

341. 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.

342. 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

EXHIBIT 14
Workload Transition Lessons Learned (Cont.)

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.

343. 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.

344. The incoming MAC should ensure that EDI files are received and processed properly through the front end 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.

345. All project stakeholders should begin cutover planning at the start of the implementation. As the owner of the cutover plan, the incoming MAC must initiate the planning process and involve all stakeholders in meetings to review requirements and provide input to their assigned tasks. The outgoing MAC should identify all areas where additional site specific support may be required.

346. 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 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.

347. 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.

348. A cutover issues/action item list should be developed. The issues/action items list should be updated after each call and distributed promptly.

EXHIBIT 14
Workload Transition Lessons Learned (Cont.)

349. Issue escalation procedures and contact information for the cutover should be created and distributed in advance of the cutover weekend. The MAC's cutover escalation contact list needs to include all staff that may need to be reached in the event of a problem including PC LAN staff. The incoming MAC's cutover escalation contact list needs to include all staff that may need to be reached in the event of a problem including PC LAN staff. In addition, the incoming MAC should notify non-transition staff to be on alert for production issues related to the cutover (e.g., incoming MAC's production support staff).

350. 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.

351. The VDC 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 VDC tasks for the entire length of the cutover period. If there are specific files, jobs or reports that the incoming MAC expects the VDC to verify on a daily basis, they should be detailed on the plan. In addition, the VDC needs to ensure that all tasks on their template are identified on the incoming MAC's production cutover plan.

352. Prior to cutover, the incoming 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.

353. The incoming 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. The standard system maintainer should have a representative on-call to assist with questions or issues during the cutover weekend.

354. The VDC and incoming MAC security staff should be available for quick resolution of security issues during cutover weekend.

355. The incoming 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.

EXHIBIT 14
Workload Transition Lessons Learned (Cont.)

356. The outgoing MAC 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 to assist with questions.

357. For any accelerated implementation schedule, the cutover planning process should begin immediately.

358. With each implementation there are new questions and issues that could be have been identified and resolved sooner or even prevented had there been more frequent communication and/or coordination between the incoming MAC and the entities responsible for the interfaces/peripheral systems. Approximately one month prior to cutover, the incoming MAC should send cutover weekend and timeline reminders to third party stakeholders/peripheral system maintainers (NGD, NPI, CERT, CWF, PECOS, COBC, etc.) and request confirmation of availability of systems for checkout during cutover weekend. In addition, the incoming MAC should send a reminder contact early in the week preceding the cutover date to ensure they will be ready for day one.

359. The incoming 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 be have been identified and resolved sooner or even prevented had there been more frequent communication and/or coordination between the incoming MAC and the entities responsible for the interfaces/peripheral systems.

360. The incoming MAC should confirm HIMR availability during cutover weekend so that testing can be completed as scheduled.

361. The COBC has a form that must be completed in order for GHI to make the COBC file changes from the outgoing MAC to the incoming MAC. This form must be completed early enough to allow time for the changes to be made.

362. The incoming 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.

363. For a multi-state MAC workload, the contractor conversion process needs to run prior to bringing in the NPI files from the crosswalk maintainer. Otherwise, the system will default to a single state combining the workload to the same default jurisdiction identification number.

EXHIBIT 14
Workload Transition Lessons Learned (Cont.)

364. The incoming MAC needs to ensure that the NPI crosswalk maintainer will systematically crosswalk the NPI forced matches so that no records are dropped.

365. During the first 6 months following the cutover, the incoming MAC must have the capability of receiving two bank clears files per cycle (one from the outgoing MAC and one from the incoming MAC). A procedure needs to be established between the incoming and outgoing MACs and coordinated through the VDC.

366. The outgoing MAC 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.

367. Following cutover, the VDC should verify that all applicable NDMs are turned off for the outgoing MAC. This will prevent duplicate files from being NDM'd to the incoming or outgoing MACs post cutover.

368. The VDC should verify the appropriate generations of the data sets are transmitted to the incoming MAC in order to prevent situations like incorrect jurisdiction identification and submitter numbers on the ERAs.

369. The incoming MAC should ensure that outgoing MAC system access is removed after the cutover and that provider access for DDE remains in-tact.

370. The incoming 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.

371. The incoming MAC should ensure all entities, (i.e., the VDC, 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 kickoff.

372. The PECOS jurisdiction identification number changes need to be made following the last VDC batch cycle under the old jurisdiction identification number but before the next files are created in PECOS. The incoming MAC should coordinate with the VDC and PECOS regarding the delivery timing of the final PECOS file with the old workload number to ensure the file is included in the final FISS/MCS cycle.

EXHIBIT 14
Workload Transition Lessons Learned (Cont.)

373. During post cutover calls, the incoming MAC should be prepared to provide counts for total EMC received and rejected along with top 5 reasons for rejection.

374. 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 the incoming MAC to obtain a list of the No Pay (PIP) claims that are not yet sent back on the 835 interface file.

375. 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.

376. 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.

377. If there is a HIGLAS testing phase, a listing of all beneficiaries and providers in the old HIGLAS organization should be run. This should not be changed between ITT and IPS phases.

378. Establishing the clone dates for both HIGLAS and the VDC needs to be done early. If the clone dates are not determined early and outlined correctly in the project plan, it can cause delays and miscommunication between the various parties involved.

379. For HIGLAS workloads, the HIGLAS cutover check list should include information regarding the VDC IPL if it is scheduled the weekend of production simulation or cutover.

380. All file problems during the conversion process need to be handled on a priority basis. The VDC should not assume file problems have no impact without discussing with the incoming MAC.

381. Time estimates on the cutover plan should be developed using month end cycles rather than daily cycles. In addition, the VDC needs to coordinate with the base production support team to determine the time required and incorporate this into the plan.

382. The incoming 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.

EXHIBIT 14
Workload Transition Lessons Learned (Cont.)

383. The incoming MAC will need to complete CMS access requests prior to the cutover. The CMS IL will need to provide the incoming MAC with the appropriate forms.

384. The incoming 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.

385. The VDC should ensure that the month end applications do not run for HIGLAS or mid-month transitions. In addition, the VDC may want to consider a verification process whereby a file would not be overlaid without first verifying.

386. During a previous MAC implementation, the COBC file was not available for the first production cycle. Consequently, the VDC was unclear on whether or not to proceed with the first cycle. GHI/CMS should notify the VDC if the files will be late or not provided at all.

387. The incoming MAC should advise the VDC Production Support team of what files to expect after the first cycle. This helps production support with their verification activities. The VDC should update the cutover plan to ask the incoming MAC to provide a list of files they will send the 2 days following the first production cycle.

388. In a previous MAC 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:

- Ensure that the final production simulation Reference Files match what will be used at production cutover.
- Review all Reference File copy requests including number and source with the maintainer prior to installation.
- Bring up on-lines early in the process for contractor review of reference files.

389. During a previous MAC cutover, the VDC 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

EXHIBIT 14
Workload Transition Lessons Learned (Cont.)

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.

390. A work scheduler issue at the VDC 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 VDC 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.

391. To prevent inaccuracies in the weekly VDC maintained NPI job that merges the states from the NPI contractor into MCS, the VDC 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.

392. The incoming MAC and VDC 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.

393. To resolve discrepancies that occur after cutover involving the pending inventory on the 2592 report vs. MCS, the incoming 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.

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.

EXHIBIT 14
Workload Transition Lessons Learned (Cont.)

394. At cutover, the incoming MAC should ensure that the shared system maintainer sends files to the VDC 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.

395. The incoming 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.

396. To prevent claims from displaying Invalid Carrier on the HBBRC009 Report, the MCS maintainer needs to convert an overflow file with the new contractor number (Infoman Prob 47040). If this file is not converted the incoming MAC will have to enter the claims into a DATAIN and request the RB78 job.

397. The VDC and SSM should verify that their CMS contact (usually the GTL for the contract or another designee) is on point to support any file transfers, NDM's, etc. that require CMS approval.

398. Where possible, the incoming 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.

399. The incoming 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 incoming MAC should ensure that the production cutover and HIGLAS plans are reviewed for consistency.

400. In situations where the outgoing MAC has several workloads in the one HIGLAS org, but only some are transitioning decisions and associated tasks for all workloads impacted 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.

401. If the MAC and HIGLAS cutover status calls are handled independently, there must be diligent coordination between the two groups. The incoming 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.

EXHIBIT 14
Workload Transition Lessons Learned (Cont.)

Problems and/or issues identified must be shared with the group. The incoming MAC's cutover representative(s) should also participate in the HIGLAS cutover status calls.

402. The FISS maintainer should review the Recovery Auditor (RA) file requirements on a transition-by-transition basis since requirements may vary depending on whether or not new environments are created.

403. The outgoing MAC should ensure that personnel is available to investigate issues during cutover even after their close-out activities have completed. This is especially important when a contractor is leaving the program after the transition since problems may occur cutover weekend (e.g., online file errors) that could require the outgoing MAC to investigate the online region(s).

404. In order to prevent providers' DDE access from being inadvertently deleted at cutover, the incoming MAC should use the software provided by the SSM to control provider access to the system.

405. Withdrawal costs related to hardcopy records being transferred from an outgoing MAC's offsite storage facility to an incoming MAC's offsite facility are not a cost of conveyance. They are an outgoing MAC cost and are considered to be a preparation cost in order to have the files ready for pickup. If the withdrawal costs are excessive, CMS may instruct the outgoing MAC to keep the records and establish an MOU with the incoming MAC or in instances where the outgoing MAC will no longer be in business, instruct the incoming MAC to take over the outgoing MAC's storage facility contract. The incoming and outgoing MACs should work together with their storage facility POC to determine the withdrawal costs as early as possible and inform CMS of said costs as soon as possible in order to determine how to proceed.

406. If changes are made after the production cutover plan has been approved, the changes should be communicated to the cutover workgroup so each stakeholder can review the changes for potential impacts to their respective tasks.

407. The incoming MAC should submit production cutover security access requests to the VDC well in advance of cutover to avoid access issues during cutover weekend. Once access is obtained, the incoming MAC should continually have staff accessing/using the applications/regions even before they are needed to ensure access has not been revoked.

EXHIBIT 14
Workload Transition Lessons Learned (Cont.)

408. The incoming MAC should ensure that file transfer is a standard agenda item for all applicable workgroup meetings so dialogue begins early and continues through in the File Transfer Workgroup.

409. 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.

410. 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 of the Business Partner Systems Security Manual. 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".

411. It is the outgoing MAC's responsibility to ensure that boxes containing data to be transferred to the incoming MAC are in suitable condition for shipment.

412. The incoming MAC should review electronic files provided by the outgoing MAC as they are received. If files aren't reviewed early, issues may arise later that could impact cutover.

413. The incoming 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.

414. When applicable, the incoming MAC should encourage the outgoing MAC to begin the copying of image files for completed work well in advance of the cutover period. The outgoing MAC should not underestimate the level of effort and resources needed to complete this task. The outgoing MAC should confirm that it can transfer the image files for pending work as soon as possible following cutover.

415. The incoming and outgoing MACs should discuss the file and record transfer plan early in the cutover process to allow the outgoing MAC ample time to seek clarification and prepare files according to the incoming MAC's instructions. In addition, the incoming and outgoing MACs should determine the methods and media for electronic data transfer early in the process and learn what is acceptable to CMS.

EXHIBIT 14
Workload Transition Lessons Learned (Cont.)

416. The incoming MAC should request a detailed list of the records (electronic and paper) that the outgoing MAC intends to transfer to the incoming MAC as early as possible. This will help the incoming MAC understand what to expect and the magnitude of the transfer.

417. The incoming MAC should establish a labeling and numbering protocol for the boxes containing paper files to aid in efficient file transfer.

418. The incoming MAC should request all necessary electronic images in advance to allow sufficient time for decrypting.

419. Contact and communications to set up new off-site storage facility accounts should be done at the onset of file transfer workgroup activity.

420. When the outgoing MAC has a small volume of shipments coming from multiple facilities, the incoming 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 and regulations.

421. When the outgoing MAC's file transfer activities continue into the post cutover time period, CMS advised that the incoming MAC is responsible for the cost associated with records shipped following cutover.

422. The incoming MAC's deliverable request for electronic image extracts needs to specify the metadata/indexes to be extracted.

423. The incoming MAC should ensure that trucks that are sent to pick up pallets from the outgoing MAC are equipped with lift gates. This will decrease the chance of injury related to loading and unloading the trucks.

424. To alleviate confusion, the incoming MAC should not combine daily production cutover meeting with any other segment production simulation calls.

425. In order to prevent any confusion with the PECOS extracts during cutover weekend, the incoming MAC should verify with the CMS PECOS POC any planned maintenance on cutover weekend.

EXHIBIT 14
Workload Transition Lessons Learned (Cont.)

426. The outgoing MAC should have a set 24x7 cutover weekend schedule; specifically, SMEs for each workgroup scheduled to be in the office during all hours of the day and not just on a call-in basis to ensure issues are addressed expeditiously.

427. To ensure that data center tasks are correctly executed and that no tasks are missed, the incoming MAC should maintain a separate production simulation and production cutover plan.

428. The OPID can only be shut down at an agreed upon time closest to the final segment cutover date. The incoming MAC and outgoing MAC may need to transfer esMD transactions if the same OPID is used for all workloads.

EXHIBIT 15
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 Medicare Administrative Contractor.

Closeout: The period of time from the incoming MAC's contract award to the end of the outgoing MAC's Medicare business operations during which the outgoing MAC 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 MAC 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 MAC 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 MAC 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 MAC 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 15
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 5 and Jurisdiction 6 combined to form Jurisdiction G).

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 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.

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

EXHIBIT 15
Glossary (Cont.)

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 MAC and is capable of processing Medicare claims in accordance with its contract.

Out-of-Jurisdiction Provider: A provider that is being serviced by a MAC that is not located within the MAC's jurisdiction.

Post-Cutover Period (Incoming MAC): 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-Cutover Period (Outgoing MAC): the period between cutover and the end of its contract. Claims processing activity has ceased during this period; however, the outgoing MAC 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 existing MAC to another MAC because the existing MAC's period of performance has ended. The transition includes implementation activities of the incoming MAC, closeout activities of the outgoing MAC, and the activities of other parties involved in the transfer of Medicare data, records, and operations to the new MAC.

EXHIBIT 15
Glossary (Cont.)

Transition Monitoring: A responsibility of CMS to ensure that Medicare functions are properly transferred from the outgoing MAC 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 MAC to an incoming MAC.

EXHIBIT 16
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
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 16
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 16
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
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 16
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
PHI	Protected Health Information
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

EXHIBIT 16
Acronyms (Cont.)

SMART	System for MSP Automated Recovery and Tracking
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)

Index

IMAC: Incoming MAC
OMAC: Outgoing MAC

(I) : Page number refers to Incoming MAC
(O) : Page number refers to Outgoing MAC

-A-

Acceptance Test, 9-4
Access to CMS systems, 6-15 (I), 16-5 (O)
Access to files after cutover (OMAC), 16-6
Access to OMAC information, 5-6, Ex. 3
Accounts receivable review, 10-3 (I), 13-2 (O)
Acronyms, Exhibit 16
Administrative cost audit, 13-6
Administrative Qualified Independent Contractor (AdQIC), 3-4
Announcement of contract award, 4-1
Appeals, 7-10 (I), 12-16 (O)
Appeals Support Contractor (ASC), 3-7
Asset inventory, 6-4 (I), 12-9 (O)
Assisting IMAC communications, 12-21
Audit (OMAC), 7-10, 13-6
Automated Adjudication Systems, 9-6
Automated response unit (ARU), 8-7
Award notification, 4-1

-B-

Bank account (OMAC), 13-1
Banking, 3-11, 10-1 (I)
Baseline workload, 12-3, Exhibit 4
Base/Non-Base activities, 6-4
Beneficiary Contact Center (BCC), 3-3
Benefits Coordination and Recovery Contractor (BCRC), 3-6
Benefits Coordination and Recovery Contractor coordination, 10-4 (I), 13-3 (O)
Business function lead (BFL), 2-3

-C-

Cash receipts/cash refunds, 10-5 (I), 13-5 (O)
Certification Package for Internal Controls (CPIC), 7-6
Claims processing (OMAC), 7-7
Closeout**:**
  approach, 12-1
  assessment review (OMAC), 16-6
  Closeout Lead (CL), 2-2
Closeout (cont.)**:**
  Closeout Project Plan (CPP), 12-2, 14-4
  costs, 13-1
  definition, 1-5
  project status report, 14-5
  project team, 12-1
CMSNet, 6-5
CMS project organization, 2-1, 2-2, 2-3, Exhibit 1
CMS system access, 6-15 (I), 16-5 (O)
Commercial Repayment Center (CRC), 3-7
Common Electronic Data Interchange (CEDI), 3-9, 6-12,
Common Working File, 3-10
Communication plan (IMAC), 8-1, 11-9
Communications (IMAC)**:**
  award announcement, 8-2
  ARU/IVR, 8-7
  beneficiary, 8-5
  congressional contact, 8-2
  cutover, 8-7, 15-15
  internal (in-house), 8-6
  listserv, 8-7
  plan, 8-1, 11-9
  plan update, 11-10
  provider, 8-3
  Social Security Administration, 8-6
  state and local government, 8-3
  transition partners, 8-6
  website, 8-6
Communications (OMAC)**:**
  assisting IMAC efforts, 12-21
  cutover, 15-15
  incoming MAC, 12-6
  internal, 12-5
Connectivity, *see telecommunications.*
Contact with OMAC, 4-2, 5-3
Contract compliance (OMAC), 12-26
Contract award, 4-1
Contract deliverables, 5-7, 5-8

Contract specialist, 2-1
Contract transition**:** *see Chapter 18*
approach, 18-2
definition, 1-6
Contract Transition Plan (CTP), 18-4
contractor (workload) ID number, 18-5
cutover, 18-6
documentation, 18-5
financial closeout, 18-5
kickoff, 18-2
lessons learned, 18-6
meetings, 18-4
organization, 18-2
Contracting Officer (CO), 2-1
Contracting Officer's Representative (COR), 2-1
Contractor identification number, 5-5, 18-5
Coordination of benefits (BCRC), 10-4, 13-3
Corrective Action Plan, 7-6 (I), 12-14 (O)
Cost audit, 13-6
Cost of shipping files, 15-12
Customer service (OMAC), 7-8, 12-15
Cutover *(also see post-cutover)***:**
communication with providers, 8-7, 15-15
completion of reports, 15-15
daily meeting, 15-3
dark day, 15-6
data migration, 15-9
definitions, 15-1
dim day, 15-7
disposition of records, 15-13
encryption, 15-11
file format, 15-11
file inventory (final), 15-10
file transfer plan, 15-10, Ex. 7 & 8
final file inventory, 15-10
financial cycle considerations, 15-6
go/no-go call, 15-4
MAC Cutover and Workload Transfer Planning Guide, 15-1, Ex. 7
packing, 15-12
plan, 11-12 (I), 15-2
release of payment floor, 15-8
reminder to participants, 11-12 (I), 15-4
reporting , 15-15
sequence of cutover activities, 15-13
Cutover (cont.)**:**
simulation, 9-6, 15-5
transfer of files and assets, 15-12
update (status report), 11-12 (I)
workgroup, 15-2

-D-

Dark day, 15-6
Data center, 3-1, 6-7
Data migration, 15-9
Definitions**:**
closeout, 1-5
contract deliverable, 1-6
Definitions (cont.)**:**
contract transition, 1-6
cutover, 15-1
cutover period, 15-1
deliverable, 1-6
implementation, 1-4, 1-6
incoming MAC, 1-5
incumbent MAC, 1-6
jurisdiction consolidation, 1-6
Medicare claims administrator, 1-6
Medicare claims processor, 1-6
outgoing MAC, 1-5
post-cutover, 15-1
provider, 1-6
workload transition, 1-4
Deliverables, *see deliverables list. Also see contract deliverables.*
Deliverables list, 5-7 (I), 12-8 (O)
Dim day, 15-7
Disposition of files, 15-13, 16-6
Documentation (IMAC) *also see Ex. 6***:**
communication plan, 8-1, 11-9
communication plan update, 11-10
cutover plan, 11-12 (I), 15-2
cutover reminder, 11-12
cutover update, 11-12
EDI progress report, 11-10
employment report, 6-2, 11-11
file transfer plan, 11-11, 15-10, Ex. 7 & 8
implementation project status report, 11-6
issues log/action items, 11-9
Jurisdiction Implementation Project Plan (JIPP), 5-1, 11-5

Documentation (IMAC) (cont.):
Jurisdiction Implementation Project Plan update, 11-5
lessons learned, 11-13, 16-6
post-cutover workload report, 11-13, Ex.12
risk management plan, 11-10, 17-2
risk management plan update, 11-10
Segment Implementation Project Plan, (SIPP), 5-3, 11-6
Segment Implementation Project Plan Update, 11-6
test plan, 9-1, 11-9
test plan update, 11-9
workgroup meeting minutes, 11-8
Documentation (OMAC) *also see Ex. 6*:
asset inventory, 14-8
baseline workload data, 12-3, 14-7, Ex. 4
Closeout Project Plan (CPP), 14-4
Closeout Project Plan update, 14-5
closeout project status report, 14-6
cutover plan, 15-2
file inventory, 14-9, 15-9
file transfer plan, 14-9, 15-10, Ex. 7&8
issues log/action items, 14-7
lessons learned, 14-9, 16-6
risk management plan, 14-5, 17-2
risk management plan update, 14-5
staffing report, 14-8
workload report, 14-7
Due diligence, *see operational assessment*

-E-

Early boarding, 6-11 (I), 12-19 (O)
Edits, 7-4
Electronic Data Interchange (EDI):
assessment, 6-10, 6-12 (I), 12-19 (O)
DME MAC: 6-12
enrollment forms, 6-9
Part A/Part B MAC: 6-9 (I), 12-19 (O)
progress report, 11-10
Electronic funds transfer (EFT), 6-14 (I), 12-20 (O)
Employee:
access to CMS systems, 6-15 (I), 16-5 (O)
employment with IMAC, 6-1 (I), 12-4 (O)
notification (OMAC), 12-4
termination (OMAC), 12-5
Employment report, 6-2, 11-11
Encryption, 15-11
End-to-end testing, 9-4

-F-

File transfer plan, 11-11, 15-10, Ex. 7 & 8
Files:
access by OMAC post-cutover, 16-6
administrative financial files (OMAC), 15-13
disposition, 15-13, 16-5
encryption, 15-11
final inventory, 15-10
format, 15-11
inventory, 7-14 (I), 12-24 (O), Ex. 5
Files (cont.):
packing, 15-12
shipping costs, 15-12
transfer (shipment), 15-12
transfer plan, 11-11 (I), 15-10, Exhibits 7 & 8
Files to be transferred to an IMAC, Exhibit 5
Financial reports (OMAC), 13-4,
Forms:
CMS-588, 6-14
Collection Reconciliation Acknowledgement Form (CRAF), 13-6
IRS Form 1099, 10-6
Functional area assessments, *also see operational assessment*:
appeals, 7-10 (I), 12-16 (O)
audit, 7-10 (I), 12-17 (O)
claims processing, 7-7 (I), 12-15 (O)
customer service, 7-8 (I), 12-15 (O)
medical review, 7-9 (I), 12-16 (O)
Medicare secondary payer, 7-8 (I), 12-16 (O)
print/mail operations 7-12 (I), 12-20 (O)
provider education, 7-12 (I), 12-18 (O)
provider enrollment, 7-11 (I), 12-18 (O)
reimbursement, 7-11 (I), 12-17 (O)
Functional contractors, 2-4, Chapter 3
Functional test, 9-3

-G-

Goals of a successful transition, 1-7
Go/no-go call, 15-4

Glossary, Exhibit 15

-H-

HIGLAS, 3-9, 15-8
Hiring OMAC employees, 4-2, 6-1

-I-

Identification number (workload), 5-5
Implementation**:**
  costs , 10-2
  definition, 1-4, 1-6
Implementation Lead, 2-2
Implementation project plan, *see Jurisdiction Implementation Project Plan.*
Implementation project status report, 11-6
Incoming MAC**:**
  access to CMS systems, 6-15
  access to OMAC information, 5-6, Ex.3
  banking, 10-1
  communication with OMAC, 5-3, 5-5
  communications (stakeholders), 8-1, 8-6
  contract deliverables, 5-8
  coordination of meetings/reports, 5-4
  data center, 6-7
  definition, 1-5
  deliverables list, 5-7
  documentation, *see Documentation (IMAC)*
  due diligence, 7-2
  electronic data interchange (EDI), 6-8
  employment report, 6-2
  facilities preparation, 6-3
  file inventory, 7-14
  file transfer plan, 11-11, 15-10, Ex. 7 & 8
  functional area assessments, 7-7
  hardware/software, 6-3
  implementation costs, 10-2
  interaction with outgoing MAC, 5-3, 8-6
  Joint Operating Agreement (JOA), 5-8
  lessons learned, 11-13, 16-6
  meetings, *see Meetings (IMAC)*
  memorandum of understanding, 5-10
  on-site presence at OMAC, 5-4
  operational assessment/due diligence, 7-2
  personnel, 6-1
  portal information, 6-14
  post-cutover financial actions, 10-5, 16-3
  post-cutover workload report, 16-2
Incoming MAC (Cont.)**:**
  pre-meeting (kickoff), 4-5
  project team, 4-3
  recruitment of OMAC staff, 4-2, 6-1,
  security reviews, 6-16
  telecommunications, 6-4, 6-6
  testing, 9-1
  training, 6-2
Incoming MAC Contracting Officer, 2-1
Incoming MAC Contracting Officer's Representative, 2-1
Information technology specialist, 2-3
Initial operational assessment, *see operational assessment*
Interaction (OMAC) with IMAC, 12-6.
Interactive voice response (IVR), 8-7 (I)
Interface test, 9-3
Internal controls (OMAC), 7-6 (I), 12-13 (O)
Invoices, 10-2
IRS Form 1099, 10-6
Issues log/action items, 11-9 (I), 14-7 (O)

-J-

Joint Operating Agreement (JOA), 5-8
Jurisdiction consolidation (definition), 1-6
Jurisdiction Implementation Project Plan (JIPP), 5-1, 11-5
Jurisdiction Implementation Project Plan Update, 11-5
Jurisdiction kickoff**:** 4-4
  incoming MAC pre-meeting, 4-5
  jurisdiction kickoff meeting, 4-7
  outgoing MAC pre-meeting, 4-6
  post-award orientation conference, 4-10
  segment kickoff, 4-10

-K-

Kickoff, *see jurisdiction kickoff.*

-L-

Lessons learned, 11-13 (I), 14-9 (O), 16-6
Licenses, 12-23
Listserv, 8-7
Local Coverage Determinations (LCD), 7-3

-M-

Medicare Administrative Contractor, *See incoming MAC or outgoing MAC.*
Medicare secondary payer, 7-8 (I), 12-16 (O)
Medical review (OMAC), 7-9 (I), 12-16 (O)

Meetings (IMAC) *also see Exhibit 6*:
Benefits Coordination and Recovery Center (BCRC) coordination, 11-4
cutover, 11-4, 15-3
go/no-go, 11-4, 15-4
incoming MAC pre-meeting, 4-5, 11-1
jurisdiction kickoff, 4-7, 11-2
lessons learned (post-project review), 11-4, 16-7
post-award orientation conference, 4-10, 11-1
project status, 11-3
segment kickoff, 4-10, 11-2
weekly management update, 11-2
workgroup, 4-9, 4-11, 11-3
Meetings (OMAC) also see Exhibit 6:
Benefits Coordination and Recovery Center (BCRC) coordination, 14-3
cutover, 14-4
go/no-go, 14-3
kickoff, 14-1
lessons learned, 14-4, 16-7
pre-meeting, 14-1
project status, 14-2
segment kickoff, 14-2
weekly closeout update, 14-3
workgroup, 14-3
Memorandum of understanding, 5-10

-N-

National Supplier Clearinghouse (NSC), 3-7

-O-

Obtaining OMAC information, 5-6, Ex. 3
On-site presence (IMAC at OMAC), 5-4 (I), 12-6 (O)
Operational assessment, 7-2, (I), 12-10 (O), Ex. 3 & 4. *see functional area assessments:*
edits, 7-4 (I), 12-12 (O)
findings, 7-7 (I), 12-14 (O)
internal controls, 7-6 (I), 12-13 (O)
local coverage determinations (LCD), 7-3 (I), 12-11 (O)
performance evaluation, 7-6 (I), 12-14 (O)
staffing levels, 7-5 (I), 12-13 (O)
workload, 7-5 (I), 12-12 (O), Exhibit 4
print/mail operations, 7-12 (I), 12-20 (O)
On-site presence at OMAC, 5-4
Operational readiness test, 9-4
Outgoing MAC:
access to CMS systems, 16-5
access to files after cutover, 16-6
access to OMAC information, 12-7, Ex. 3
asset inventory, 12-9
assisting IMAC communications, 12-21
baseline workload, 12-3, Exhibit 4
cash receipts/cash refunds, 13-5
closeout approach, 12-1
closeout assessment review, 16-6
Closeout Project Plan (CPP), 12-2, 14-4
completion of reports, 13-4, 15-15
cooperation with IMAC, 12-6,
definition, 1-5
deliverables, 12-8
disposition of files, 15-13, 16-6
documentation/information requested by incoming MAC, Exhibit 3
due diligence, 12-10
employee access to CMS systems, 16-5
file inventory, 12-24
file transfer plan, 11-11, 15-10, Ex. 7 & 8
financial reports, 13-4
hiring of staff by IMAC, 12-4
interaction with IMAC, 12-6
internal controls, 12-13
lessons learned, 16-6
on-site presence of IMAC, 12-6
operational assessment, 12-10
outstanding checks, 13-5
performance evaluation, 12-14
personnel actions, 12-4
post-cutover financial actions, 13-4
pre-meeting (kickoff), 4-6, 14-1
print/mail operations, 12-20
project team, 4-4, 12-1
recruitment of staff, 4-2, 6-1,
releasable information, Exhibit 3
risk management, 12-3, 17-1
staffing levels, 12-13
stop work dates, 12-23
workload, 7-5, 12-3, Exhibit 4
Outgoing MAC Contracting Officer, 2-1

Outgoing MAC Contracting Officer's Representative, 2-1
Outstanding provider payment checks, 13-5

-P-

Pay forward, 15-8
Payment floor, 15-8
Payment invoice, 10-2
Performance evaluation (OMAC), 7-6, 12-14
Personnel actions (OMAC)**:** 12-4
  Employment with company, 12-4
  IMAC employment, 12-4
  Termination, 12-5
Portal information, 6-14
Post-award orientation conference, 4-10, 11-1
Post-cutover (IMAC)**:**
  access to files by OMAC, 16-3
  assisting outgoing MAC, 16-3
  cash receipts/cash refunds, 10-5
  Form-1099, 10-6
  financial coordination, 16-3
  first day of operations, 16-1
  lessons learned, 11-13, 16-6
  lessons learned meeting (post-project review meeting), 16-7
  monitoring of operations, 16-2
  outstanding checks, 10-5
  project closeout, 16-4
  workload reporting, 11-13, 16-2
Post-cutover (OMAC)**:**
  access to files after cutover, 16-6
  audits, 13-6
  closeout assessment review, 16-6
  disposition of files, 16-6
  employee access to CMS systems, 16-5
  financial actions, 13-5
  Form -1099, 13-7
  lessons learned, 16-6
  operations wrap-up, 16-4
  outstanding provider checks, 13-5
  post-project review meeting, 16-7
  reporting, 13-4, Exhibit 13
Post-project review meeting (lessons learned), 16-7
Pricing Data Analysis and Coding Contractor (PDAC), 3-8
Print/mail, 7-12 (I), 12-20 (O)
Program Safeguard Contractor, 3-3
Project plan**:**
  Contract Transition Plan (CTP), 18-4
  Jurisdiction Implementation Project Plan (JIPP), 5-1
  Segment Implementation Project Plan (SIPP), 5-3
  Closeout Project Plan (CPP), 12-2
Project teams**:**
  Incoming MAC, 4-3
  Outgoing MAC, 4-4
Protest of award, 4-2
Provider**:**
  audit (OMAC), 7-10 (I), 12-17 (O)
Provider (cont.)**:**
  communication (IMAC), 8-3
  customer service (OMAC), 7-8 (I), 12-15 (O)
  definition, 1-6
  education (OMAC), 7-12 (I), 12-18 (O)
  enrollment (OMAC), 7-11 (I), 12-18 (O)
  reimbursement (OMAC), 7-11 (I), 12-17 (O)
Provider Enrollment Chain Ownership system (PECOS), 3-11
PSOR reconciliation (OMAC), 13-4

-Q-

Qualified Independent Contractor (QIC), 3-4
Quality Assurance Surveillance Program (QASP), 7-6 (I), 12-14 (O)
Quality Improvement Organization (QIO), 3-5

-R-

Record retention, 15-13, 16-6
Recovery Auditor (RA), 3-5
Recruitment of OMAC staff, 4-2, 6-1
Reimbursement (OMAC), 7-11 (I), 12-17 (O)
Release of the payment floor, 15-8
Reports, *see documentation & Exhibit 6*
Report format (work elements), 11-7, 14-6
Risk management, 17-1
Risk management plan, 11-10 (I), 14-5 (O), 17-2
Risk management plan update, 11-10 (I), 14-5 (O)

-S-

Security review (IMAC), 6-16
Segment kickoff, 4-10
Segment Implementation Project Plan (SIPP), 5-3, 11-6

Segment Implementation Project Plan
Update, 11-6
Shared system maintainer (SSM), 3-10
Shipping costs (files), 15-12
Staffing levels (OMAC), 7-5 (I), 12-13 (O)
Stop work dates, 7-13 (I), 12-23 (O), Ex. 7
System access (CMS), 6-15 (I), 16-5 (O)
System test, 9-3

-T-

Technical direction, 2-1, 2-2, 2-4
Technical guidance, 2-2
Technical monitors, 2-3
Telecommunications**:**
data, 6-4
points of emphasis, 6-6
voice, 6-6
Terminology, 1-5
Test plan, 9-1, 11-9
Test plan update, 11-9
Tests (types)**:**
acceptance, 9-4
automated adjudication systems, 9-6
connectivity/shared system, 9-2
cutover simulation, 9-6
EMC, 9-5
end-to-end, 9-4
functional, 9-3
file conversion, 9-3
interface, 9-3
operational readiness, 9-4
release, 9-5
stress, 9-4
system, 9-3
volume, 9-5
Transition**:**
costs (implementation), 10-2
definition, 1-4
goals, 1-7
workgroups, 4-11

-V-

Virtual data center, 3-1
Vouchers, *see invoices*

-W-

Work elements (for reports), 11-7, 14-6
Workgroups**:** 4-11
administration, 4-14
Workgroups (cont.)**:** 4-11
cutover, 15-2
functions, 4-13
meeting minutes, 11-8
participants, 4-11
responsibilities of workgroup head 4-12
scope, 4-12
Workload (contractor ID) number, 5-5, 18-5
Workload transition (definition), 1-6

-Z-

Zone Program Integrity Contractor, 3-3

.