



Contracting with CMS Conference



*Medicare
Fee-for -Service (FFS)
Claims
Administration*

*Karen Jackson, Director
Medicare Contractor
Management Group*

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Medicare FFS Claims Administration

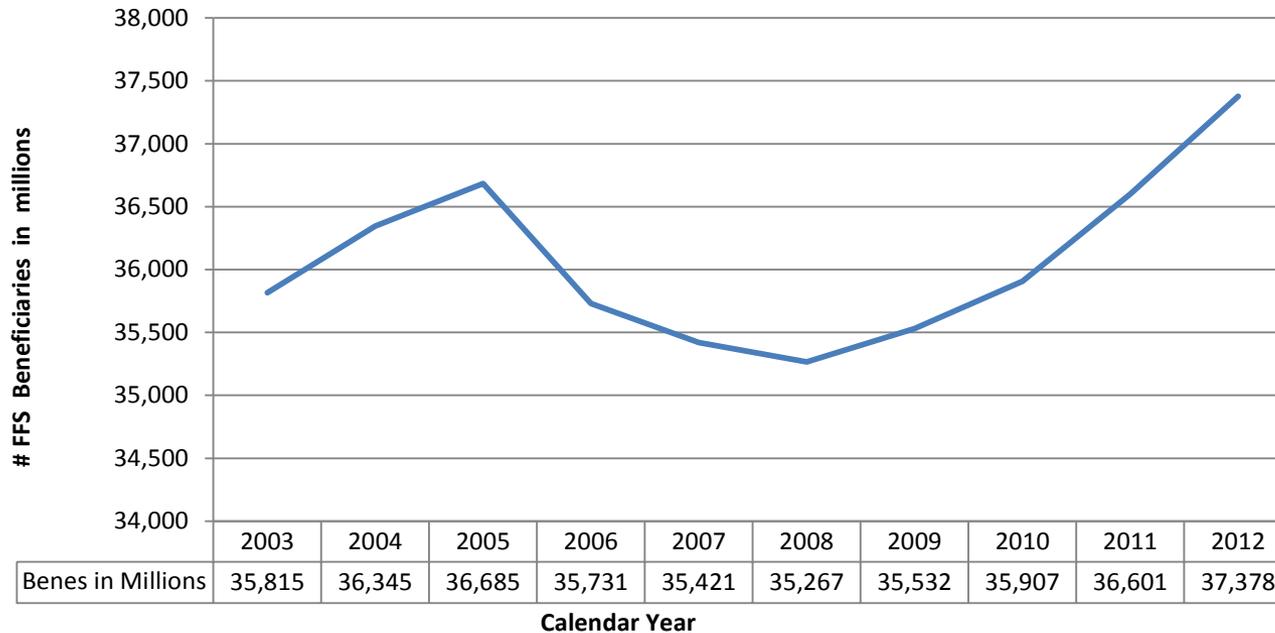
- Medicare FFS spending in FY 2012 - \$365.1 billion
 - Part A - \$194.0 billion
 - Part B - \$171.1 billion

(Note: numbers above are strictly Part A & B FFS without Part C or Part D)

- As of December 2012, approximately 37 million beneficiaries were enrolled in the original, FFS Medicare program.
- Approximately 1.5 million health care providers and suppliers bill either Medicare Part A, Part B or both.
- Claims Volume in 2012 - 1.2 billion claims processed

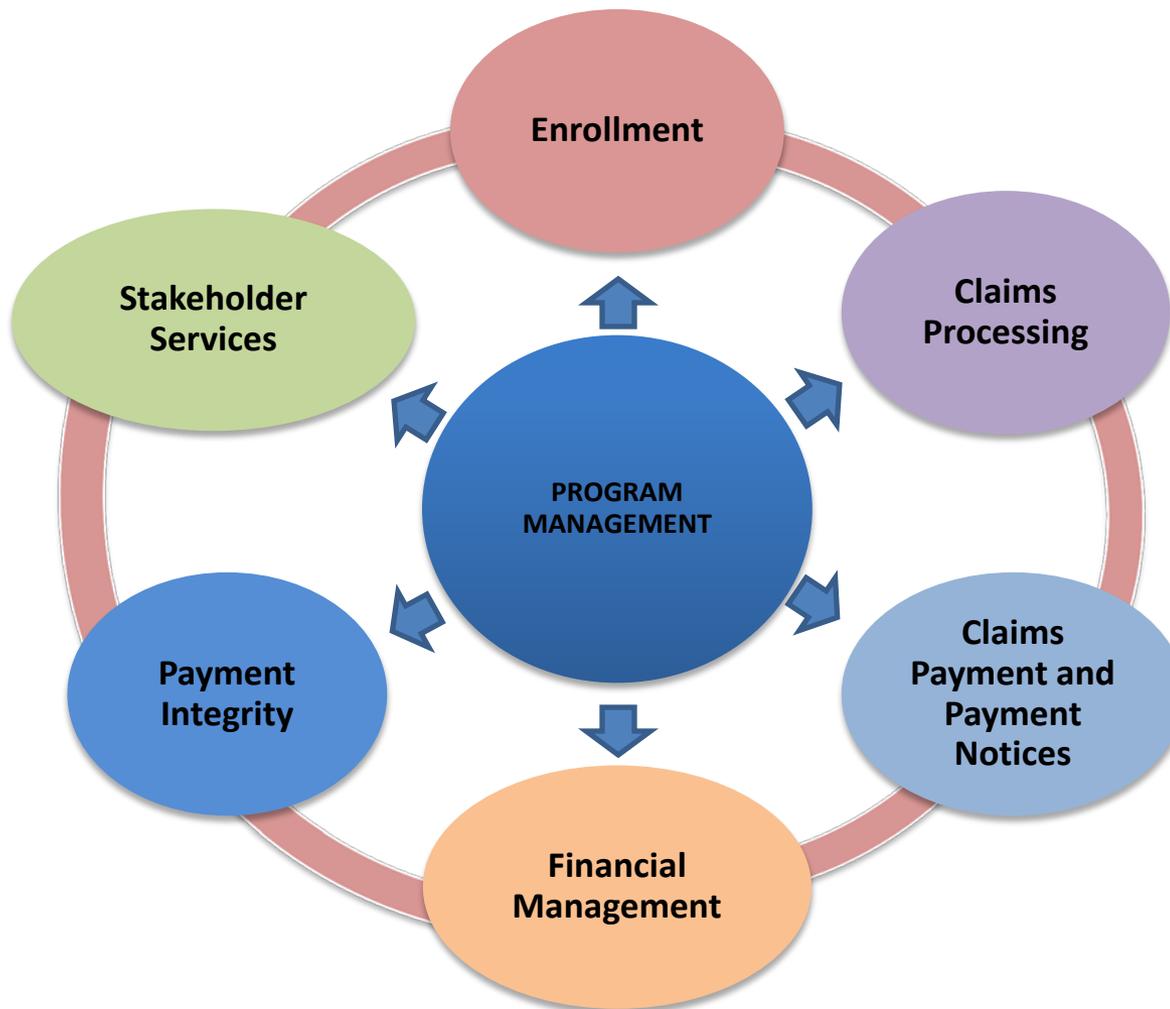
Total FFS Beneficiaries

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- FFS enrollment was on the rise 2003-2004, then began to decline in 2006; around 2009, enrollment began to rise again
- Total beneficiaries have increased 4.4% over the past ten years

CMS' Business Responsibilities for Medicare FFS

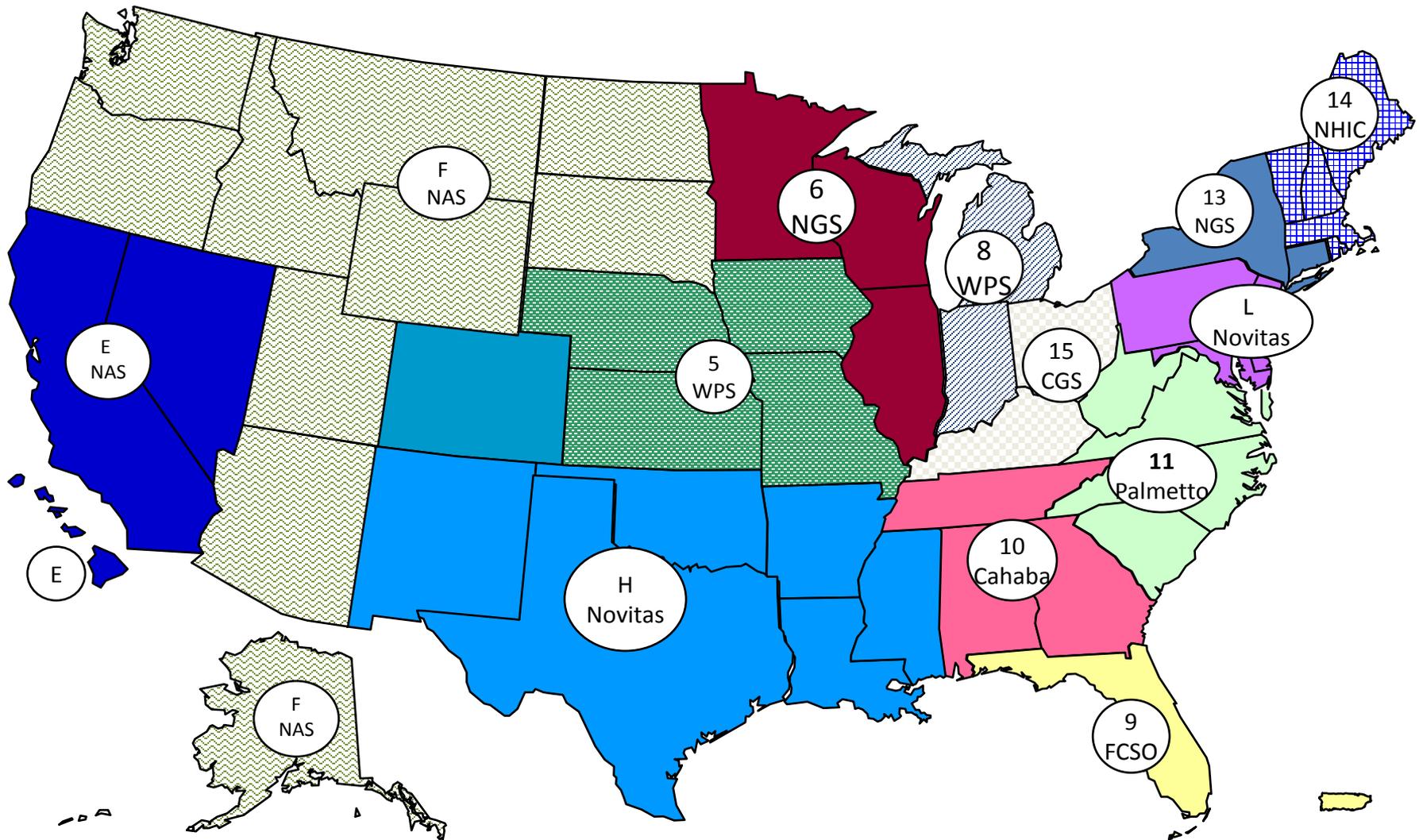


What do MACs do?

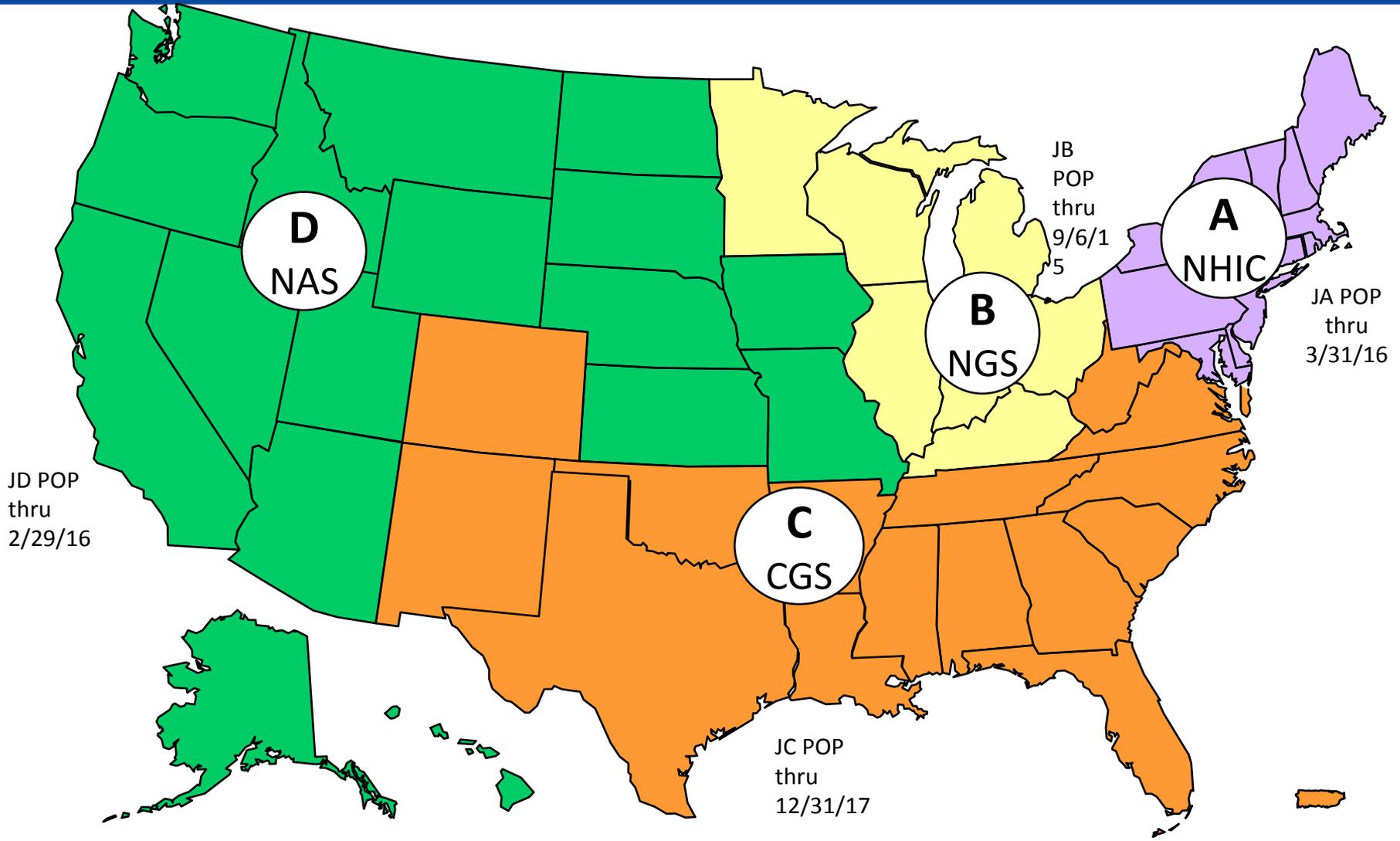
Medicare Administrative Contractors (MACs):

1. Process claims
2. Make and account for payments
3. Enroll providers in the Medicare program
4. Handle provider reimbursement services and audit institutional providers
5. Process 1st level appeals
6. Respond to provider inquiries
7. Educate providers about the FFS Medicare program's billing requirements
8. Establish local coverage determinations (LCDs)
9. Review medical records for selected claims
10. Coordinate with CMS and other FFS contractors

13 A/B MAC Jurisdictions (Contracts Awarded as of January 2013)

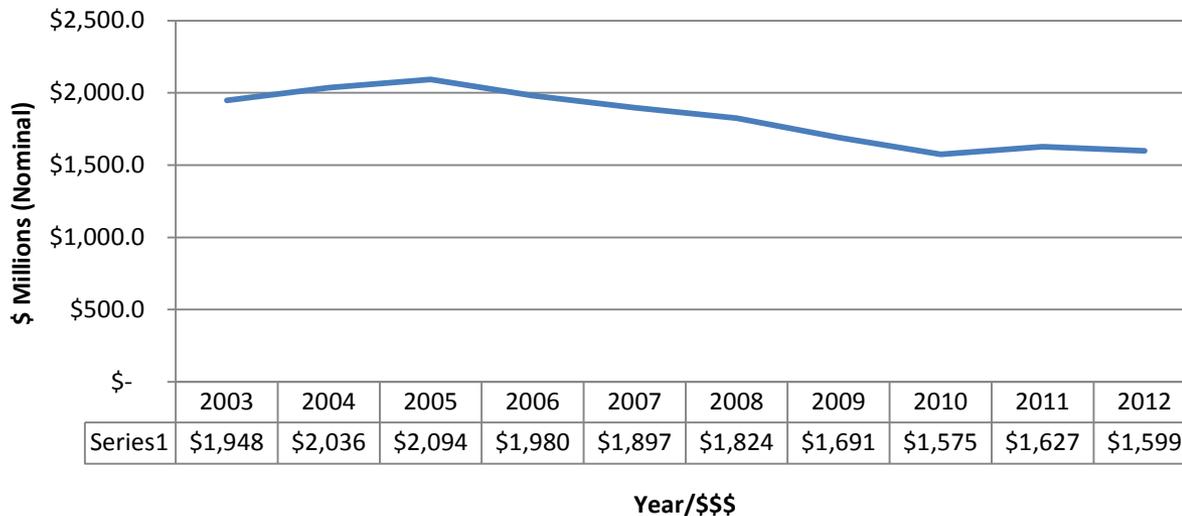


Durable Medical Equipment DME MAC Jurisdictions



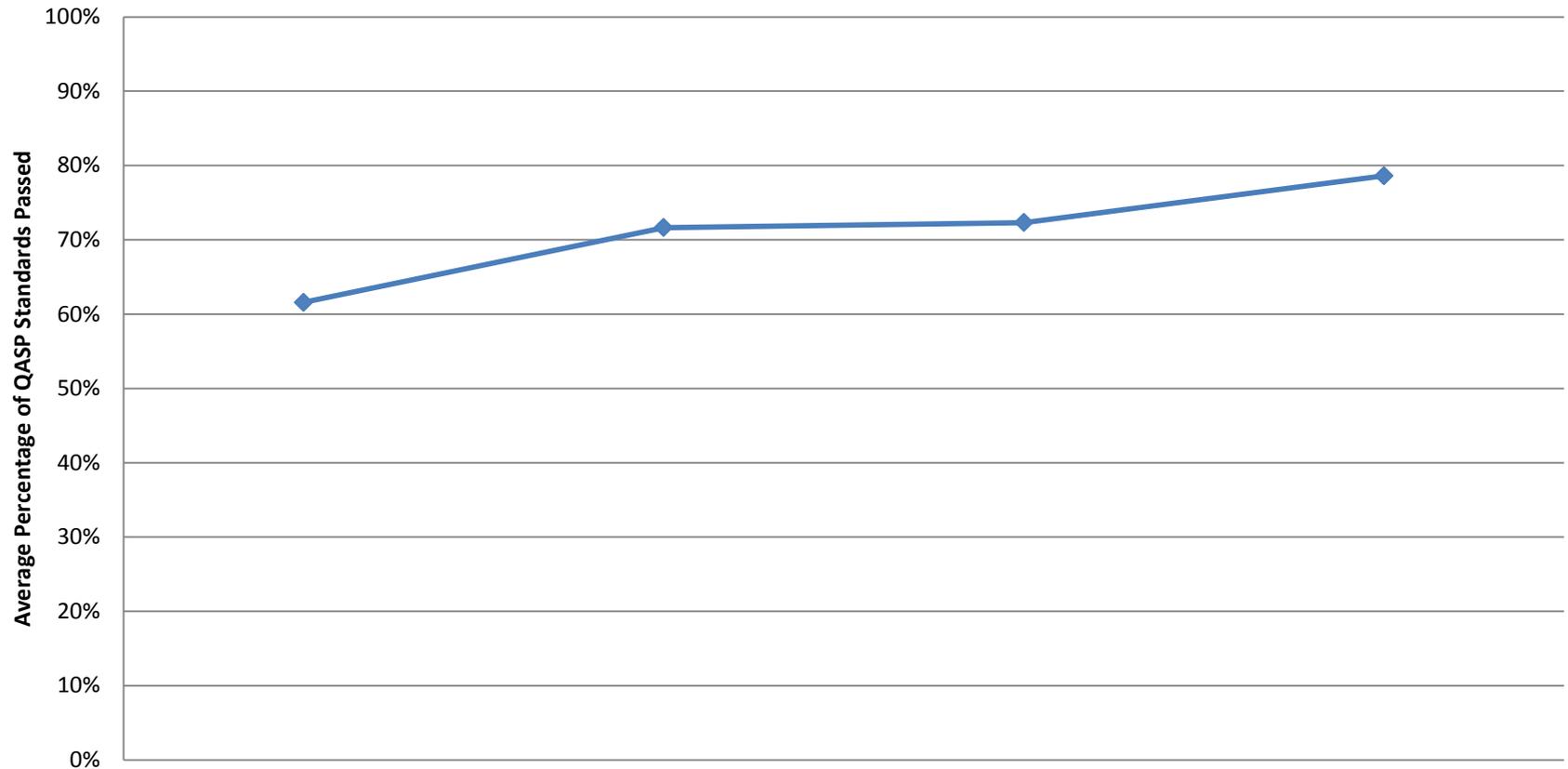
Trends in Selected Medicare FFS Operating Costs FYs 2003-2012

Trends in Selected Medicare FFS Operating Costs FYs 2003 - 2012



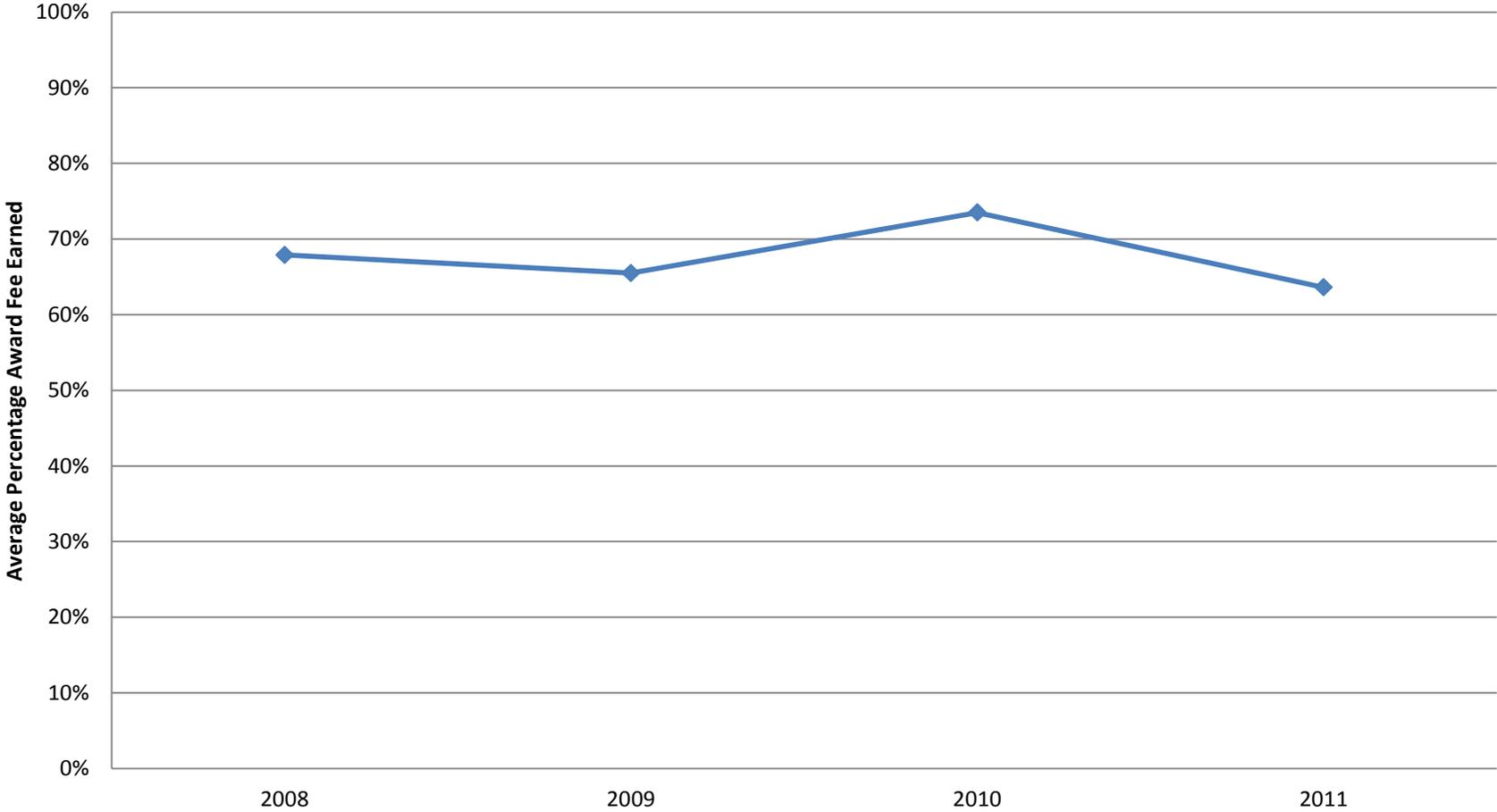
- Overall costs have decreased 18% over the past 10 years.
- Contributing factors to the decrease are related to business model changes, e.g. MACs, EDCs, QICs, ZPICS, and BCCs.

Average MAC Performance vs. Medicare FFS Standards



In 2008 – 7 MACs, In 2009 – 11 MACs, In 2010 – 13 MACs, In 2011 – 14 MACs

Average MAC Award Fee Earned



MACs Work with Other Medicare Contractors

MACs and 8 of CMS' Functional Contractors

