



## Re-Assignment of Certain Providers to Jurisdiction 1 and Jurisdiction 4 Medicare Administrative Contractors (MACs) – JA1016

Related CR Release Date: N/A

Date Job Aid Revised: May 20, 2010

Effective Date: N/A

Implementation Date: N/A

<b>Key Words</b>	SE1016, R583OTN, R691OTN, CR5979, CR6569, CR6902, Re-Assignment, Jurisdiction 1, Jurisdiction 4, MAC
<b>Contractors Affected</b>	Part A/B MACs (A/B MACs)
<b>Provider Types Affected</b>	<ul style="list-style-type: none"> <li>• Certain hospitals, skilled nursing facilities (SNFs), and other institutional providers who:             <ul style="list-style-type: none"> <li>• Currently submit claims to Wisconsin Physicians Service (WPS) in its capacity as a Medicare fiscal intermediary;</li> <li>• Were serviced by Mutual of Omaha prior to 2007 when WPS assumed the Medicare fiscal intermediary contract; and</li> <li>• Will be transferred to the Jurisdiction 1 A/B MAC (currently Palmetto GBA) or the Jurisdiction 4 A/B MAC (currently TrailBlazer Health Enterprises) pursuant to the Centers for Medicare &amp; Medicaid Services (CMS) geographic rule for assigning providers to MACs.</li> </ul> </li> </ul>



- SE1016 provides information, regarding the re-assignment of certain providers from WPS to the Jurisdiction 1 and Jurisdiction 4 MACs in 2010. A few providers will be exempt from the geographic assignment rule (see the exception section below).
- Change Requests (CRs) 5979, 6569, and 6902 describe in more detail the CMS approach for assigning providers to MACs and discuss the process of moving providers to MACs.

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**I. What is taking place, and when?**

- In keeping with the CMS policy for assigning providers to A/B MACs, CMS will be reassigning two sets of providers from the WPS legacy FI contract (workload 52280) to their destination A/B MACs during calendar 2010.
- The first transition affected about 1,000 providers that were transferred to the Jurisdiction 1 A/B MAC, which is Palmetto GBA.
- The Jurisdiction 1 transition took place on April 19, 2010.
- The second transition will affect another 1,000 providers transferring to the Jurisdiction 4 A/B MAC, which is TrailBlazer Health Enterprises.
- The Jurisdiction 4 transition is currently scheduled to take place in October of 2010.

**II. When will the Jurisdiction 4 transferees be notified?**

- Non-chain providers will receive an initial letter during June.
- Providers in chains should receive their initial notice in August.
- This will allow the maximum amount of time for chain providers to be classified as qualified chain providers (QCPs) (see the exception section below), and for QCPs to make a decision as to whether they wish to centralize (or not) their Medicare billing relationship with the A/B MAC that services the state in which the QCP's home office is located.

Provider Needs to Know...

**III. What will happen to my Medicare payments during the period around cutover weekend?**

- CMS, WPS, and the Jurisdiction 4 A/B MAC will coordinate activities to ensure that Medicare claims payment operations continue uninterrupted for affected providers.
- These transition processes were successful in the recent transfer of providers to the Jurisdiction 1 A/B MAC.

**IV. How did CMS decide which providers are moving?**

- For several years, providers have no longer been allowed to choose their FI or MAC.
  - With certain exceptions, CMS assigns providers to A/B MACs based on the geographic location of the provider.
  - The geographic assignment rule requires that each provider will be assigned to the MAC that covers the state where the provider is located.
  - A discussion of the geographic assignment rule can be found in MLN Matters® article number MM5979, which is available at <http://www.cms.gov/MLN MattersArticles/downloads/MM5979.pdf> on the CMS website.
  - Providers located in the states of Hawaii, California, and Nevada, and the territories of American Samoa, Guam, and the Mariana Islands were moved to the Jurisdiction 1 A/B MAC. Providers located in the states of Texas, New Mexico, Colorado, and Oklahoma will be moved to the Jurisdiction 4 A/B MAC.
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- There are a few exceptions to the geographic assignment rule.

### Geographic Assignment Rule Exceptions

- One of the pertinent exceptions is for a limited subset of Medicare chains called QCPs.
  - These provider chains are comprised of ten or more hospitals, and/or SNFs collectively operating 500 or more certified Medicare beds.
  - The detailed requirements are in the regulation at 42 Code of Federal Regulations (CFR) 421.404.
  - If a hospital or a SNF is part of a QCP, then CMS considers the location of the QCP's "home office."
  - If the QCP home office is located in a state or territory covered by Jurisdiction 1 (California, Hawaii, Nevada, American Samoa, Guam, or the Mariana Islands), then all the hospitals and SNFs in that QCP were transferred to the Jurisdiction 1 A/B MAC – even if the provider is located elsewhere.
  - If the QCP home office is located in a state covered by the Jurisdiction 4 (Texas, New Mexico, Colorado, or Oklahoma), then all hospitals and SNFs in the QCP will be transferred to the Jurisdiction 4 A/B MAC – even if the provider is located elsewhere.
  - If the QCP home office is located in a state not covered by either Jurisdiction 1 or Jurisdiction 4, then all the providers in the subject QCP will remain in the WPS fiscal intermediary workload until CMS schedules future provider transfers to A/B MACs.
  - The second pertinent exception is for providers that are provider-based pursuant to 42 CFR 413.65.
  - These providers will be moved (or not moved) based on CMS assignment of the "main provider" to the appropriate A/B MAC under CR5979.
  - The third exception is for hospital subunits pursuant to 42 CFR 483.5(b).
  - These providers will also be moved (or not moved) together with the connected hospital.
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### Background

- Mutual of Omaha ("Mutual") served the Medicare program as a fiscal intermediary for several decades.
  - Medicare Part A providers located in 49 states were serviced in that workload.
  - Mutual's Medicare functions were assumed by WPS in 2007.
  - This fiscal intermediary workload was, and still is, identified in Medicare data systems as "workload number 52280."
  - This set of providers has been serviced under a distinct contract and maintained in a WPS workload separate from the Jurisdiction 5 A/B MAC workload (Iowa, Kansas, Missouri, and Nebraska), which is also serviced by WPS.
  - Under CMS policy framework for assigning providers to A/B MACs, each provider currently serviced by WPS in workload 52280 is slated for transition to the A/B MAC that
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covers the state where the provider is located.

- A few providers will be exempt from the geographic assignment rule.

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Operational Impact	N/A
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Reference  
Materials

The related MLN Matters® article can be found at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/SE1016.pdf> on the CMS website.

The official instruction (CR6569) regarding this instruction may be viewed by going to <http://www.cms.gov/Transmittals/downloads/R583OTN.pdf> on the CMS website.

The federal regulations cited in SE1016, or in CR5979 may be viewed by going to <http://www.gpoaccess.gov/cfr/index.html> on the Internet.

For complete details, regarding the Jurisdiction 1 A/B MAC CR, providers may see the official instruction (CR6569) issued by going to <http://www.cms.gov/Transmittals/downloads/R583OTN.pdf> on the CMS website.

For complete details, regarding the Jurisdiction 4 A/B MAC CR, providers may see the official instruction (CR6902) issued by going to <http://www.cms.gov/transmittals/downloads/R691OTN.pdf> on the CMS website.

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