

**Fee-For-Service Part A/Part B
Medicare Administrative Contractor (MAC)
Fact Sheet**

October 2005

- On September 19, 2005, CMS released the Request for Proposal (RFP) for the first fee-for-service Medicare Administrative Contractor (MAC) procurement. This RFP is for the MAC that will serve Medicare beneficiaries and providers in Jurisdiction 3 (J3) which comprises the states of Arizona, Montana, North Dakota, South Dakota, Utah and Wyoming.
- The J3 MAC RFP is posted on FedBizOpps, in accordance with Federal Acquisition Regulation Subpart 5.2 - Synopses of Proposed Contract Actions.
- CMS' Part A/Part B MAC procurement schedule anticipates contract award for the J3 MAC, Jurisdiction 3, in June 2006. A pre-proposal conference will be held on October 7, 2005.
- CMS will be conducting 14 other fee-for-service MAC procurements over the next few years, for a total of 15 separate MAC contracts. Each procurement will be for the administration of both the Medicare Part A and Part B (A/B) benefits in a specified geographic jurisdiction of the country. All of the contracts are to be awarded, and all jurisdictional A/B MACs are to be operational, by October 2011.
- CMS is conducting these MAC procurements in accordance with section 911 of the Medicare Modernization Act (MMA) which requires the Secretary to take needed steps between now and 2011 to implement Medicare Contracting Reform. The Medicare Contracting Reform provision mandates the conduct of full and open competitions for the work currently handled by fiscal intermediaries and carriers in administering the Medicare fee-for-service program. The entities that are awarded contracts under these competitions will be known as MACs.
- During the period the J3 MAC RFP was being developed, CMS released four Requests for Information (RFIs) via FedBizOpps. Industry feedback submitted during the review period was considered and used to assist CMS in refining the procurement documents prior to release of the final RFP.
 - The first RFI, released by CMS on February 25, 2005, was the J3 MAC draft Statement of Work (SOW). The comment period closed April 1.
 - The second RFI, released on April 11, 2005, contained proposed performance standards for the future J3 MAC. The comment period for this second RFI closed May 11.

- The third RFI, released on June 3, 2005, contained: RFP Sections H, L, and M; the Concept of Operations; the Workload Implementation Handbook; Deliverables; and Government Furnished Property. The comment period for the third RFI closed July 5.
 - The fourth RFI, released September 3, 2005, contained the revised J3 MAC draft SOW. The comment period closed September 14.
- CMS has decided that it will continue to utilize functional contractors in the future to increase the efficiency of Medicare services for beneficiaries and providers. These include the coordination of benefits contractor and program safeguard contractors. In addition, CMS will implement additional functional contractors, such as qualified independent contractors for Medicare appeals, beneficiary contact centers and data centers.
- CMS continues to consider the role that incentives will play in the J3 MAC contract. Financial incentives offer the agency a valuable tool in the management of the fee-for-service program.
- CMS will not require the entity awarded the J3 MAC contract to offer employment to staff of the fiscal intermediaries and carriers it will replace (i.e., “outgoing” contractors).
- All MAC procurement information is provided on FedBizOpps at: <http://www.fedbizopps.gov>. Additional information on Medicare Contracting Reform can be found on CMS’ contracting reform website at: <http://www.cms.hhs.gov/medicarereform/contractingreform/>.
- With the release of this RFP, the acquisition for the J3 MAC has become “procurement sensitive.” Any inquiries concerning this RFP are to be directed to Linda Hook, the Contracting Officer for this MAC. Linda works in the Office of Acquisition and Grants Management. Her e-mail address and phone number are: Linda.hook@cms.hhs.gov and 410-786-8371.