

**Jurisdiction 5 Part A/Part B Medicare Administrative Contractor
(J5 A/B MAC) Award**

-- Wisconsin Physicians Services Health Insurance Corporation--

Qs and As

September 5, 2007

Q: What company has been awarded the contract for the J5 A/B MAC workload?

A: Wisconsin Physicians Service Health Insurance Corporation (WPS) has been awarded the contract for the J5 A/B MAC.

Q: What states are included in A/B MAC Jurisdiction 5?

A: The states included in Jurisdiction 5 are Iowa, Kansas, Missouri, and Nebraska.

Q: What are the major contractual differences of the new A/B MACs compared to the current fiscal intermediaries (FIs) and carriers?

A: The workload for each new A/B MAC is being awarded through full and open competition conducted in accordance with the Federal Acquisition Regulation. Based on structured evaluation criteria, the proposal with the best value for the government will be selected in each procurement. The new A/B MAC contracts are for the administration of both Medicare Part A and Part B claims in a specific geographic jurisdiction. They allow for performance incentives to be earned by the MAC.

The FI and carrier contracts historically have been competed to a limited number of contractors which may or may not have been the best qualified organizations to do the work. In addition, the carriers have had to be chosen from health insurance companies. The contracts for the FIs and carriers do not allow for performance incentives; rather they pay the contractor the costs incurred in conducting their operations.

Q: What is the effect of Medicare Contracting Reform on beneficiaries and providers?

A: Beneficiaries will have a single point-of-contact, connecting them to a seamless operations network for meeting their information needs. A beneficiary's first point of entry for resolution of questions about Medicare coverage will be 1-800-MEDICARE. The A/B MAC will handle only complex inquiries from beneficiaries.

The A/B MAC will serve as the point of contact for providers, physicians and practitioners for all claims-related business. Medicare contracting reform also will benefit providers with improved provider education and training by the A/B MACs.

Q: What type of contract has been awarded for the J5 A/B MAC workload?

A: The J5 A/B MAC was awarded under a cost-plus-award-fee contract. The period of performance for the contract is a base period with four 1-year options. The total value of the contract for the five year period is approximately \$225 million.

Q: When will the new J5 A/B MAC begin operations?

A: The implementation activities of the A/B MAC that are needed to move the Part A/Part B workload for the states included in Jurisdiction 5 will begin immediately. The MAC will complete the transfer of the claims and information from FIs and carriers and be fully operational no later than September 9, 2008.

Q: What FIs and carriers are currently processing claims for the states in J5?

- Arkansas Blue Cross and Blue Shield (carrier for Eastern Missouri)
- Blue Cross and Blue Shield of Alabama (FI for Iowa)
- Blue Cross and Blue Shield of Kansas, Inc. (FI for Kansas; carrier for Kansas, Western Missouri, and Nebraska)
- Blue Cross and Blue Shield of Mississippi (FI for Missouri)
- Blue Cross and Blue Shield of Nebraska (FI for Nebraska)
- Mutual of Omaha Insurance Company (FI for some providers in Iowa, Kansas, Missouri and Nebraska)
- Noridian Mutual Insurance Company (carrier for Iowa)

Q: How will staffing be affected as work moves from the current FIs and carriers to the J5 A/B MAC?

A: With the award and implementation of the new contract, one contractor will be performing the work that had been distributed among seven. Fewer staff will be required.

For more specific questions regarding staffing please contact the Contracting Officer, Darrell Bachman at Darrell.bachman@cms.hhs.gov or 410-786-8167.

Q: How many beneficiaries and providers are there in J5? What percent of the national claims workload is accounted for in this Jurisdiction?

A: As of March 31, 2007, approximately 1,897,298 Medicare beneficiaries and 524 Medicare hospitals are located in the six states comprising this jurisdiction. Also, as of March 31, 2007, approximately 61,934 physicians and practitioners provided services in this area.

With respect to the workload, approximately 5.0% of Medicare fee-for-service claims nationwide is in this jurisdiction.

Q: Did the winning contractor have any subcontracts? If so, what services will the subcontractor provide?

A: As the J5 A/B MAC, WPS is subcontracting with the following companies:

- EDS which will supply Part B Medicare Business Systems (MBS)
- Corporate Mutual of Omaha which will supply Part A print/mail services, Part A Data Center programming services, records storage and leased facility space.