

Award of Medicare Administrative Contractor (MAC) Contract for Jurisdiction H

- On May 30, 2019, the Centers for Medicare & Medicaid Services (CMS) announced that Novitas Solutions, Inc. (Novitas) has been awarded a contract for the administration of Medicare Part A and Part B Fee-for-Service claims in the states of Arkansas, Colorado, Louisiana, Mississippi, New Mexico, Oklahoma, and Texas (A/B MAC Jurisdiction H). The seven states are depicted in gray shading in the map below.



- This jurisdiction comprises approximately 13.5% of the overall national Medicare FFS Part A and Part B claims volume, equating to more than \$50 billion in Medicare benefit payments annually. The A/B MAC Jurisdiction H contract will provide Medicare services to more than 1,200 hospitals, 123,000 physicians, and 5.3 million Medicare beneficiaries.
- This contract award concludes another re-competition of a Medicare Administrative Contractor (MAC) contract awarded under the competitive contracting provisions of the Medicare Prescription Drug, Improvement and Modernization Act of 2003. The previous MAC contract for A/B MAC Jurisdiction H was awarded to Novitas Solutions, Inc., in November 2011.
- This A/B MAC Jurisdiction H contract includes a base year and six option years. This is the third full and open competition where an A/B MAC contract was awarded pursuant to MACRA 509 provisions that allow CMS to award contracts for longer than five years. The contract is a “cost plus award fee” contract; the award fee will be earned only if Novitas exceeds the base requirements of the contract. Inclusive of all options, the newly-awarded A/B MAC Jurisdiction H contract has a total estimated value of \$842,686,299.

- Novitas will perform Medicare fee-for-service activities including processing claims received from providers and suppliers; appeals; re-openings; provider and supplier enrollment; customer service; provider outreach and education; medical review; and cost report audits.
- Novitas will also be responsible for responding to several unique MAC contract requirements; for instance, Novitas will process claims for services delivered at Indian Health Service (IHS) and tribal organization facilities and services performed by IHS and tribal organization physicians and non-physicians.
- CMS has stringent standards for contract performance on these contracts and measures performance through a variety of processes, including on-site oversight, data reviews and protocol-driven quality assurance reviews, as well as independent audits. As CMS continues to use the competitive process to select claims administration contractors, technical approach and past performance will be major evaluation factors.
- Questions about the contract award should be directed to Jacob Reinert in CMS' Office of Acquisition and Grants Management. Mr. Reinert may be reached at 410-786-1278 or at Jacob.Reinert@cms.hhs.gov.