

Award of Durable Medical Equipment Medicare Administrative Contractor (DME MAC) Contract for Jurisdiction A

- On March 31, 2011, the Centers for Medicare & Medicaid Services (CMS) announced that NHIC, Corp. (NHIC) has been awarded the contract for the administration of Medicare fee-for-service claims for durable medical equipment (DME), prosthetics, orthotics, and supplies in Jurisdiction A.
- On April 19, 2011, two companies filed protests regarding the contract award with the Government Accountability Office (GAO). On May 27, 2011, both protestors advised the government that they would withdraw their respective protests. CMS will now move forward to implement the new DME MAC Jurisdiction A contract.
- Under this contract, NHIC will process and pay Medicare fee-for-service DME claims; process redetermination requests; respond to supplier inquiries; perform supplier outreach and education; and, review claims for medical necessity.
- Jurisdiction A serves Medicare beneficiaries who reside in the states of Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont, and the District of Columbia.
- NHIC's subcontractor, National Government Services (NGS), will respond to supplier telephone inquiries and claims reopening requests.
- This contract award concludes the third 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 original DME MAC contract for Jurisdiction A was awarded in 2006 to NHIC.
- Further re-competitions of the initial set of MAC contracts are currently underway.
- CMS has learned a tremendous amount from the early implementations of the specialized DME MAC contracts, and has applied the lessons learned and administrative improvements to continue optimizing the administration of the original Medicare program.
- 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, past performance and technical understanding requirements are major evaluation factors.
- The DME MAC Jurisdiction A contract has a total estimated value of approximately \$72.3 million over five years.
- As NHIC is the incumbent contractor for DME MAC Jurisdiction A, CMS anticipates that implementation of the new contract will go smoothly; Medicare beneficiaries and DME suppliers should experience little change in day-to-day claims payment operations.

- Questions about the contract award should be directed to Jaime Galvez in CMS' Office of Acquisition and Grants Management. Mr. Galvez may be reached at 410-786-5701 or at Jaime.Galvez@cms.hhs.gov.