

Award of Part A and Part B (A/B) Medicare Administrative Contractor (MAC) Contract for Jurisdiction 15

- On September 17, 2015, the Centers for Medicare & Medicaid Services (CMS) awarded CGS Administrators, LLC (CGS), a new contract for the administration of Medicare Part A and Part B Fee-for-Service claims in A/B MAC Jurisdiction 15, which encompasses the states of Kentucky and Ohio. The Jurisdiction 15 states are depicted in gray shading in the map below.



- The A/B MAC Jurisdiction 15 contract will provide Medicare services to about 330 hospitals, 46,000 physicians, and 1.9 million Medicare beneficiaries. This jurisdiction comprises approximately 6.0% of the overall national Medicare Fee-for-Service Part A and Part B claims volume.
- This contract will also administer Medicare home health and hospice (HH+H) Fee-For-Service claims in the states of Colorado, Delaware, Iowa, Kansas, Maryland, Missouri, Montana, Nebraska, North Dakota, Pennsylvania, South Dakota, Utah, Virginia, West Virginia and Wyoming, as well as the District of Columbia. These areas are depicted in gray shading in the map below.



- In this HH+H workload, CGS as the A/B MAC Jurisdiction 15 contractor will provide Medicare services to nearly 1,700 home health agencies, 800 hospices and 7 million Medicare beneficiaries.
- This contract award concludes another re-competition of a MAC contract awarded under the competitive contracting provisions of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003. The original MAC contract for A/B MAC Jurisdiction 15 was awarded to CGS in July 2010.
- The new A/B MAC Jurisdiction 15 contract includes a base year and four option years, for a maximum duration of five years. The contract is a “cost plus award fee” contract; the award fee will be earned only if CGS exceeds the base requirements of the contract.
- Inclusive of all options, the awarded A/B MAC Jurisdiction 15 contract has a total estimated value of \$246.3 million over five years.
- As CGS is the incumbent contractor for this MAC jurisdiction, CMS anticipates that implementation of the new contract will go smoothly, with few (if any) service issues for Medicare beneficiaries and providers.
- CGS will perform most of this contract work in its Nashville, Tennessee headquarters.
- In addition to processing Medicare Part A and Part B provider claims in A/B MAC Jurisdiction 15, CGS will perform other critical Medicare functions, including enrolling and auditing Medicare providers, as well as educating these providers on Medicare coverage requirements.
- 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 approach will be the major evaluation factors.
- Questions about the contract award should be directed to Brenda Clark in CMS’ Office of Acquisition and Grants Management. Ms. Clark may be reached at 410-786-5165 or at Brenda.Clark@cms.hhs.gov.