

## **Qs & As for Durable Medical Equipment Medicare Administrative Contractor for Jurisdiction C – CIGNA Government Services, LLC (CIGNA)**

**Q: What company has been awarded the DME MAC contract for Jurisdiction C?**

A: CMS awarded the DME MAC contract for Jurisdiction C to CIGNA on September 28, 2006.

**Q: Didn't CMS already award the Jurisdiction C DME MAC contract in January 2006 to Palmetto GBA?**

A: On January 6, 2006, CMS announced the companies to whom it had awarded the four DME MAC contracts. At that time CMS announced it had awarded Palmetto GBA the DME MAC contract for Jurisdiction C. Shortly after the January 2006 DME MAC award announcement by CMS, CIGNA Government Services, LLC filed a protest with the General Accountability Office (GAO) on the awards for Jurisdictions C and D.

GAO issued its decisions on May 4, 2006, sustaining CIGNA's protest concerning the Jurisdiction C contract award. GAO required CMS to take corrective action and CMS reopened discussions on May 10<sup>th</sup> with Palmetto GBA and CIGNA, the competitive range offerors for that jurisdiction. CMS evaluated the final revised proposals submitted by Palmetto GBA and CIGNA in accordance with the provisions of the solicitation for the DME MAC contracts. CMS found the proposal from CIGNA offered the best overall value to the government and, therefore, has awarded the Jurisdiction C DME MAC contract to CIGNA.

**Q: What is the value of the DME MAC contract for Jurisdiction C?**

A: The total potential value of CIGNA's Jurisdiction C DME MAC contract, including the base year and four 1-year options, is approximately \$144 million.

**Q: What is the duration of the DME MAC contract that was awarded?**

A: The Jurisdiction C DME MAC contract awarded on September 28, 2006 includes a base period and four 1-year options.

**Q: Are DME MAC contracts renewable?**

A: DME MAC contracts may be renewed annually if the contractor meets performance expectations, but the contract must be re-competed at least every five years.

**Q: Who currently handles the work of the Durable Medical Equipment Regional Carrier (DMERC) for Region C?**

A: Palmetto GBA is the current Durable Medical Equipment Regional Carrier (DMERC) for Region C and will continue to handle the work until CIGNA is able to implement the Jurisdiction C DME MAC contract and take over the workload from Palmetto.

**Q: What states comprise DME MAC Jurisdiction C?**

A: The states included in DME MAC Jurisdiction C are: Alabama, Arkansas, Colorado, Florida, Georgia, Louisiana, Mississippi, New Mexico, North Carolina, Oklahoma, Puerto Rico, South Carolina, Tennessee, Texas, U.S. Virgin Islands, Virginia, and West Virginia.

**Q: When does the new DME MAC contractor assume responsibility for the DME claims processing workload?**

A: CIGNA will assume full responsibility for the DME workload on April 1, 2007.

**Q: How many Medicare beneficiaries reside in DME MAC Jurisdiction C?**

A: As of 2005, approximately 13.4 million fee-for-service Medicare beneficiaries reside in the states in this jurisdiction. This is the largest of the four DME MAC Jurisdictions.

**Q: Where will the Jurisdiction C DME MAC contractor's operations be located?**

A: CIGNA will headquarter the Jurisdiction C DME MAC operations in Nashville, Tennessee.

**Q: What function do DME MACs serve?**

A: The DME MACs are responsible for processing Medicare claims for durable medical equipment, orthotics, and prosthetics. They will serve as the point-of-contact for all Medicare suppliers.

**Q: How will suppliers benefit from the transition to the new DME MACs?**

A: Suppliers will benefit because the new DME MACs will be focused on improved financial management. This means increased accuracy of payments to suppliers as well as consistent payment decisions. Suppliers will have an opportunity to provide input into the performance evaluation of DME MACs through completion of CMS provider/supplier satisfaction surveys.

**Q: Why is CMS conducting competitive procurements for DME claims processing?**

A: Section 911 of the Medicare Modernization Act of 2003, referred to as the Medicare Contracting Reform provision, requires that CMS compete all currently held contracts for administration of the fee-for-service Medicare program by 2011.

**Q: Is CMS announcing the awards for the four options that were part of the DME MAC solicitation package?**

A: The solicitation for the DME MAC contracts contained four options for which the offerors were able to submit offers: the Medicare Electronic Data Interchange System (MEDIS), the

Data Center, the National Supplier Clearinghouse (NSC), and the Data Analysis and Coding (DAC). These were to be awarded to one of the four awarded DME MACs based on proposals they submitted on those options.

- The MEDIS and the Data Center options are being dropped from award consideration because Jurisdictions A, B and D have already been implemented using non-standard front end systems and individual data centers. Future initiatives of CMS do not warrant awarding these options now.
- Decisions with respect to the NSC and DAC are pending. In the interim, Palmetto GBA will be providing those services through their contracts for the NSC and Statistical Analysis Durable Medical Equipment Regional Contractor.

**Q: Can the current award be protested?**

A: Yes, the dissatisfied offeror can challenge the award determination by filing a protest at the Government Accountability Office (GAO) or by filing a complaint in the Court of Federal Claims.