

**Durable Medical Equipment (DME)
Medicare Administrative Contractor (MAC)
Fact Sheet**

- Section 911 of the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (MMA) requires the Secretary to take needed steps between now and 2011 to implement Medicare Contracting Reform. To implement this portion of MMA, CMS must conduct full and open competitions for the work currently handled by fiscal intermediaries and carriers in administering the Medicare fee-for-service program. The entities that are awarded contracts under these future competitions will be called Medicare Administrative Contractors (MACs).
- The MMA removed the restriction that had existed since the start of the Medicare program concerning the eligibility of entities that could be considered for administration of the fee-for-service work, i.e., that entities be health insuring organizations. As a result, the competitions for the MAC contracts will be the first full and open competitions for the fee-for-service workloads.
- In defining its procurement strategy, CMS determined that the workload of the four current Durable Medical Equipment Regional Carriers would be the optimal first step because it is a stable workload and the risk of any significant program disruption to the overall provider and beneficiary community would be minimal.
- The four current Durable Medical Equipment Regional Carriers processed over 68 million claims in fiscal year 2004 from suppliers of durable medical equipment, orthotics and prosthetics amounting to Medicare program benefit payouts in excess of \$9,074 million.
- The DME claims workload being competed is defined by jurisdictions. The law does not establish specific parameters for the DME MAC jurisdictions, nor does it require those jurisdictions to match either the Medicare Advantage PPO areas or the PDP areas.
- CMS did not include the precise DME MAC jurisdictions in the February 7, 2005 Report to Congress describing the plan for implementing section 911 of the MMA. However, CMS subsequently released maps of the jurisdictions on February 22, 2005.
- CMS released on FedBizOpps on February 8, 2005 a Request for Information (RFI) concerning the DME MAC. By releasing this information, CMS allowed industry the opportunity to provide any feedback, comments, questions or concerns about draft procurement documents. Feedback from industry assisted CMS in refining the acquisition materials prior to the release of the formal Request for Proposal.

- On April 15, 2005, CMS released the DME MAC Request for Proposal.
- A pre-proposal conference was held on April 27, 2005 for interested parties.
- CMS is on schedule to award the four DME MAC contracts in December 2005.
- All competition related information will be provided on FedBizOpps at:
<http://www.fedbizopps.gov>.