

Jurisdiction D DME MAC -- Noridian Administrative Services (NAS)

FACT SHEET

January 2006 Contract Award

- On January 6, 2006, CMS announced that Noridian Administrative Services (NAS) had been awarded the DME MAC contract for Jurisdiction D.
- The states included in Jurisdiction D are: Alaska, American Samoa, Arizona, California, Guam, Hawaii, Idaho, Iowa, Kansas, Missouri, Montana, Nebraska, Nevada, North Dakota, Northern Mariana Islands, Oregon, South Dakota, Utah, Washington, and Wyoming.
- The DMERC currently servicing the states in Jurisdiction D is Connecticut General Life Insurance Company (CIGNA).
- On January 24, 2006, CIGNA Government Services, LLC (CIGNA) filed a protest with the Government Accountability Office (GAO) against the contract awards made to NAS for DME MAC Jurisdiction D and to Palmetto GBA (Palmetto) for DME MAC Jurisdiction C. The protest filing triggered a stay on performance of work under the NAS and Palmetto contracts until a decision could be rendered on the protests.
- On May 4, 2006, CMS received notification from GAO of its decisions concerning the bid protests. GAO denied CIGNA's protest of the award to NAS of the DME MAC contract for Jurisdiction D. As a result of this decision, CMS authorized NAS to resume work under Jurisdiction D as of May 8, 2006.
- CMS anticipates that NAS will be able to assume full responsibilities for the Jurisdiction D work by October 1, 2006.
- Neither the suppliers nor the beneficiaries serviced by the current DMERC will be adversely affected by the transition to the new DME MAC.
- NAS has subcontracted with two companies: Mandaree Enterprise Corporation (MEC), headquartered in Mandaree, ND; and Electronic Data System Corporation (EDS), headquartered in Plano, TX. MEC will provide customer service support. EDS will provide information technology support.
- NAS' DME MAC D operations will be headquartered in Fargo, ND. Some operations will also be performed in Jamestown and Grand Forks, ND.
- NAS is currently working with CIGNA on transition activities. CIGNA will continue to process Medicare claims until the transition to NAS is complete.

- There will be an overall reduction in the number of staff that NAS will need to employ in comparison to CIGNA. This reduction is due to both increased efficiencies of the DME MACs and the shift of work to functional contractors, including Qualified Independent Contractors, Payment Safeguard Contractors, Beneficiary Contact Centers, Common Front End maintainer, and Consolidated Data Centers.
- NAS will have a staff of approximately 140 full time employees.
- Approximately 285 CIGNA DMERC employees in Tennessee and Idaho are potentially affected by this DME MAC contract award.
- CMS is not requiring NAS to offer positions to any of the staff of the incumbent DMERC. NAS recognizes the value of the Medicare knowledge of the DMERC's staff. As part of its recruitment strategy, NAS indicates it will recruit employees from CIGNA who are willing to relocate to North Dakota.
- The contract value for the first year is approximately \$12 million.
- As of 2004, approximately 7,467,406 Medicare beneficiaries reside in the states in DME MAC Jurisdiction D. Also, approximately 19% of the national DME claims workload is in this area. As of August 2005, there are over 24,800 DME suppliers that provide services in this area.