

## **Resolution of the Award Protest of the Part A/B Medicare Administrative Contractor for Jurisdiction 15**

- On July 8, 2010 the Centers for Medicare & Medicaid Services (CMS) announced that CIGNA Government Services, LLC (CGS) has been awarded the contract for the combined administration of Part A and Part B Medicare fee-for-service claims in Jurisdiction 15 (J15) comprised of Kentucky and Ohio.
- This contract award is the result of corrective action taken by CMS after the GAO sustained a protest of the original January 2009 award to Highmark Medicare Services, Inc.
- Under the corrective action, CMS reopened discussions, and requested revised final proposal revisions. CMS conducted a thorough evaluation of the revised final proposal revisions in accordance with the terms of the solicitation, and determined CGS represented the best value to the Government.
- The J15 A/B MAC contract has a total estimated value of approximately \$243.3 million over five years.
- CGS will implement the J15 A/B MAC by taking over the work from the FIs and carriers on an incremental basis over the next several months.

### ***About the A/B MAC Jurisdiction 15***

- The J15 A/B MAC is comprised of the Part A/Part B workload in Kentucky and Ohio and also includes the home health and hospice claims administration responsibilities for workload in Colorado, Delaware, District of Columbia, Iowa, Kansas, Maryland, Missouri, Montana, Nebraska, North Dakota, Pennsylvania, South Dakota, Utah, Virginia, West Virginia and Wyoming.
- CGS' operations are headquartered in Nashville, TN.
- CGS will have the following subcontractor(s):
  - Riverbend Government Benefits Administrator will provide Part A functions for claims processing, customer service, audit and reimbursement, provider enrollment, redeterminations, medical review and overpayment recovery. In addition, Riverbend will perform other integrated A/B services (front-end mailroom, imaging and forms processing and document retention).
  - Syntellect will provide IVR port licenses and ongoing IVR maintenance and support.
  - Overland Solutions, Inc. will conduct provider enrollment onsite audits.
  - Mayer Hoffman McCann PC will provide SAS 70 audit services.

- Lattimore, Black, Morgan, & Cain will provide J15 Core Security Requirements (CSR) evaluation and testing services.
  - Atlas Management Corporation will provide staffing services for the performance of front-end processing of Part B claims.
  - Lighthouse Services, Inc. will provide 24 hour fraud and ethics hotline services.
  - New Century Consulting Group LLC will serve as a consultant and provide Healthcare Integrated General Ledger Accounting System (HIGLAS) training and support to the CGS team on an “as needed basis” for J15 operations.
- The following are the current fiscal intermediaries (FI) and carriers administering the program in J15 and the states they serve:
    - Cahaba GBA (RHHI for Colorado, Delaware, District of Columbia, Iowa, Kansas, Maryland, Missouri, Montana, Nebraska, North Dakota, Pennsylvania, South Dakota, Utah, Virginia, West Virginia and Wyoming)
    - National Government Services (FI for Kentucky and Ohio; carrier for Kentucky)
    - Palmetto GBA (carrier for Ohio)
    - Wisconsin Physicians Service Insurance Corporation (FI for some providers in Kentucky and Ohio)
  - National Government Services is based in Indianapolis, Indiana. Key sites are located in Cincinnati, Ohio; Harrisburg, Pennsylvania; Louisville, Kentucky; Manchester, Vermont; Milwaukee, Wisconsin; South Portland, Maine; and Syracuse, New York.
  - Cahaba GBA is based in Birmingham, Alabama and also has offices in Des Moines, Iowa.
  - Palmetto GBA is based in Columbia, South Carolina.
  - Wisconsin Physicians Service Insurance Corporation is based in Madison, Wisconsin and also has offices in Eau Claire, Green Bay, Milwaukee, and Wausau.
  - The FIs and carriers listed above will continue to carry out their responsibilities until the J15 A/B MAC is implemented.

#### ***About Medicare Contracting Reform***

- CMS has learned a tremendous amount about integrating multiple complex and large initiatives, and is pleased that the lessons learned from the early implementations will be applied to the decisions made to continue optimizing the administration of the original Medicare program.
- Since 2006, CMS has moved 65 percent of the claims administration services to Medicare Administrative Contractors and expects to complete the implementation of the remaining contracts by October 2011.

- 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, performance to the contract requirements is an evaluation factor.
  
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