

Resolution of the Award Protest of the Part A/B Medicare Administrative Contractor (MAC) for Jurisdiction 15

CMS to Implement Jurisdiction 15 A/B MAC Following GAO Review

- In July 2010, the Centers for Medicare & Medicaid Services (CMS) announced that CIGNA Government Services, LLC (CGS) had been awarded the prime contract for the combined administration of Part A and Part B Medicare fee-for-service claims in Jurisdiction 15, which is comprised of the states of Kentucky and Ohio.
- Subsequently, in keeping with federal procurement law, three unsuccessful offerors filed protests against this MAC contract award with the Government Accountability Office (GAO).
- The GAO reviewed CMS's award of the Jurisdiction 15 A/B MAC to ensure that the procurement was conducted in accordance with the requirements of federal law and the terms and conditions of the contract solicitation.
- On October 29, 2010, the GAO denied all of the protest allegations raised by each of the protestors. The GAO has posted the case outcomes to its protest docket (www.gao.gov/decision/docket), and the GAO will make its written analysis of the protests available at a later date.
- CMS will now move forward to implement the A/B MAC Jurisdiction 15 contract. Over the next several months, the Medicare claims processing workloads of the incumbent Medicare fiscal intermediaries (FIs) and carriers will be transferred to CGS.
- In order to keep Medicare stakeholders informed, CMS will announce the effective date of the respective workload transfers in the near future, as these dates become available. The CMS is currently developing this information.
- The CMS and CGS will take appropriate actions to ensure that the workload transfers proceed smoothly and Medicare providers and beneficiaries within Jurisdiction 15 continue to receive high levels of service.
- The Jurisdiction 15 A/B MAC contract has a total estimated value of approximately \$243.3 million over five years.

About CIGNA Government Services, LLC (CGS)

- CGS presently serves as the Medicare Part B carrier for the states of North Carolina and Idaho. Until 2009, CGS also served as the Medicare Part B carrier for Tennessee.
- CGS continues to serve as the Durable Medical Equipment (DME) MAC for seventeen western states.

- CGS' Medicare operations are headquartered in Nashville, TN.
- Under a subcontract to CGS, Riverbend Government Benefits Administrator will provide several Part A functions, including claims processing, customer service, audit and reimbursement, provider enrollment, redeterminations, medical review, and overpayment recovery. In addition, Riverbend will perform certain mailroom, imaging, and document retention activities for CGS.
- Several other subcontractors will also support CGS. Please refer to the CMS fact sheet on the Jurisdiction 15 A/B MAC contract award (J15 Award Background Sheet #1) for a complete listing of these subcontractors and their respective functions.

About the A/B MAC Jurisdiction 15

- The Jurisdiction 15 A/B MAC is comprised of the Part A/Part B workload in Kentucky and Ohio. This MAC contract 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.
- The following are the current fiscal intermediaries (FI) and carriers administering the Medicare program in Jurisdiction 15 and the workloads 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)
- Please refer to the CMS fact sheet on the Jurisdiction 15 A/B MAC contract award (J15 Award Background Sheet #1) for additional information concerning these Medicare contractors.
- The FIs and carriers listed above will continue to carry out their responsibilities until the Jurisdiction 15 A/B MAC is implemented.

About Medicare Contracting Reform

- The 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 over 65 percent of the claims administration services to MACs and expects to complete the implementation of the remaining contracts by 2011.
- The 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.
- Questions concerning the Jurisdiction 15 A/B MAC contract award should be directed to Donald Knode in CMS's Office of Acquisition and Grants Management. Mr. Knode may be contacted at 410-786-1046 or Donald.Knode@cms.hhs.gov during regular CMS business hours.