

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Centers for Medicare & Medicaid Services



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MLN Matters® Number: MM 8847

Related Change Request (CR) #: CR 8847

Related CR Release Date: September 19, 2014

Effective Date: September 19, 2014

Related CR Transmittal #: R240FM

Implementation Date: September 30, 2014

Transitioning Medicare Administrative Contractor (MAC) Workloads to the New Banking Contractor(s)

Provider Types Affected

This MLN Matters® Article is intended to alert all providers that your Medicare Administrative Contractor (MAC) may be transitioning their banking to another bank.

What You Need to Know

This article is informational in nature and is intended to inform you that Medicare has re-competed its banking contracts and has awarded two new five year contracts to US Bank (an incumbent bank) and to Citibank (which replaces the prior contract with JP Morgan Chase). The Centers for Medicare & Medicaid Services (CMS) awarded these new contracts on July 10, 2014. Change Request (CR) 8847 was issued to manage the transition of the MAC workloads from JP Morgan Chase to Citibank.

Background

In 2010, CMS changed its Medicare banking policies by discontinuing the use of time accounts to pay for banking service charges and awarded five year commercial services contracts through full and open competition to two banks (US Bank and JP Morgan Chase);

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these two banks disburse MAC authorized payments and Demonstration project payments for CMS. The two current commercial banking contracts are terminating in Fiscal Year 2015. CMS has awarded new five year contracts through full and open competition to US Bank (incumbent bank) and Citibank (new bank). Each selected bank shall provide both MAC payment services and Demonstration payment services and shall be designated Financial Agents of the U.S. Treasury.

CMS is transitioning MAC workloads from JP Morgan Chase to Citibank. The MAC workloads with US Bank will remain with US Bank. The transition began in August 2014 and will end in January 2015.

Additional Information

The official instruction for CR8847 issued to your MAC regarding this change is available at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R240FM.pdf> on the CMS website.

If you have any questions, please contact your MAC at their toll-free number. That number is available at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Net/work-MLN/MLNMattersArticles/index.html> under - How Does It Work.

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