

MLN Matters Number: SE0624

Related Change Request (CR) #: N/A

Related CR Release Date: N/A

Effective Date: N/A

Related CR Transmittal #: N/A

Implementation Date: N/A

**Note:** This article was updated on October 1, 2012, to reflect current Web addresses. All other information remains unchanged.

## **MMA - Assignment of Physicians, Providers, and Suppliers to the Medicare Administrative Contractors (MACs)**

### **Provider Types Affected**

Providers, physicians and suppliers who bill Medicare contractors (fiscal intermediaries (FIs) including regional home health intermediaries (RHHIs), and carriers, including durable medical equipment regional carriers (DMERCs)) for their services

### **Key Points**

The Centers for Medicare & Medicaid Services (CMS) is implementing significant changes to the Medicare fee-for-service program's administrative structure. This Medicare Contracting Reform (MCR) will:

- Integrate and simplify the administration of Medicare Parts A and B with primary A/B MACs which will process both Part A and Part B claims for the fee-for-service benefit;
- Make contracting dynamic, competitive and performance-based, resulting in more accurate claims payments and greater consistency in payment decisions; and
- Centralize information, creating a platform for advances in the delivery of comprehensive care.

Under MCR, there will be 23 Medicare Administrative Contractors (MACs) with no national MAC. These new MACs will include:

- Fifteen primary A/B MACs to serve the majority of all types of providers for Part A and Part B;
- Four specialty MACs to serve home health and hospice providers; and

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- Four specialty MACs to serve durable medical equipment (DME) suppliers.

MACs will serve as the primary point of contact for provider enrollment, Medicare coverage and billing requirements training for providers, and the receipt, processing and payment of Medicare fee-for-service claims for Medicare providers' respective jurisdictions.

Medicare providers will be assigned to the local designated MAC based on their geographic location to the MAC which has jurisdiction for that benefit category and location.

**Note:** Please be aware that in the event that your current FI does not win the contract to serve the area where you are located, you will be required to be reassigned to the MAC that has won the jurisdiction for your area.

The new MAC jurisdictions will be more similar to each other in size than the existing fiscal intermediary (FI) and carrier jurisdictions. The workload allocation and the number of fee-for-service beneficiaries and providers in each MAC jurisdiction will be reasonably balanced. The jurisdictions of the eight specialty MACs will overlay the boundaries of the fifteen primary A/B MAC jurisdictions.

## Background

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The Medicare Prescription Drug Improvement and Modernization Act of 2003 (MMA) (P.L. 108-173) allows the CMS to take appropriate steps to transition from agreements under Section 1816 of the Social Security Act to contracts with Medicare Administrative Contractors (MACs) under section 1874A. The changes to Medicare's administration are designed to increase the efficiency of Medicare's claims processing and related functions. They will benefit Medicare providers and Medicare's enrollee population.

## Additional Information

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During the initial implementation phase (2005-2011) of the Medicare fee-for-service administrative contracting reform, CMS intends to issue Requests for Proposals (RFPs) to compete and award contracts for 23 MACs (four DME and four Home Health/Hospice MACs, and 15 primary A/B MACs).

The transition to the MAC administrative structure will be implemented through a series of acquisition cycles (9-12 months from solicitation to award). The subsequent workload transition to the new MAC system is projected to take 6-13 months after contract award.

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*Medicare's MAC Jurisdictions*

Jurisdiction	States Included in Jurisdiction	Procurement Schedule	
	Specialty MAC Jurisdictions (DME and Home Health/Hospice)	RFP Issuance	Award Date
A	Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont	DME March 2005	DME Jan. 2006
B	Illinois, Indiana, Kentucky, Michigan, Minnesota, Ohio, and Wisconsin	Home Health/ Hospice Sept. 2007	Home Health/ Hospice Sept. 2008
C	Alabama, Arkansas, Colorado, Florida, Georgia, Louisiana, Mississippi, New Mexico, North Carolina, Oklahoma, Puerto Rico, South Carolina, Tennessee, Texas, U.S. Virgin Islands, Virginia, and West Virginia		
D	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		
Jurisdiction	Primary A/B MAC Jurisdictions	RFP Issuance	Award Date
1	American Samoa, California, Guam, Hawaii, Nevada, and Northern Mariana Islands	Sept. 2006	Sept. 2007
2	Alaska, Idaho, Oregon, and Washington	Sept. 2006	Sept. 2007
3	Arizona, Montana, North Dakota, South Dakota, Utah and Wyoming	Sept. 2005	June 2006
4	Colorado, New Mexico, Oklahoma, and Texas	Sept. 2006	Sept. 2007
5	Iowa, Kansas, Missouri, and Nebraska	Sept. 2006	Sept. 2007
6	Illinois, Minnesota, and Wisconsin	Sept. 2007	Sept. 2008
7	Arkansas, Louisiana, and Mississippi	Sept. 2006	Sept. 2007
8	Indiana and Michigan	Sept. 2007	Sept. 2008
9	Florida, Puerto Rico, and U.S. Virgin Islands	Sept. 2007	Sept. 2008
10	Alabama, Georgia, and Tennessee	Sept. 2007	Sept. 2008
11	North Carolina, South Carolina, Virginia and West Virginia	Sept. 2007	Sept. 2008
12	Delaware, District of Columbia, Maryland, New Jersey, and Pennsylvania	Sept. 2006	Sept. 2007
13	Connecticut and New York	Sept. 2006	Sept. 2007
14	Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont	Sept. 2007	Sept. 2008
15	Kentucky and Ohio	Sept. 2007	Sept. 2008

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For additional information about the MCR process, please refer to

<http://www.cms.gov/Medicare/Medicare-Contracting/MedicareContractingReform/index.html/MedicareContractingReform/> on the CMS website.

CR4002, transmittal 670, *Realignment of States and Medicare Claims Processing Workload from DMERC Regions A, B, C and D to the DME MAC Jurisdictions A, B, C, and D* discusses phase 1 of the MAC acquisition and transition schedule. It can be found at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R670CP.pdf> on the CMS website.

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