



Do you have your NPI? National Provider Identifiers (NPIs) will be required on claims sent on or after May 23, 2007. Every health care provider needs to get an NPI. Learn more about the NPI and how to apply for an NPI by visiting <http://www.cms.gov/Regulations-and-Guidance/HIPAA-Administrative-Simplification/NationalProvidentStand/index.html/NationalProvidentStand/> on the CMS website.

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## **A/B MAC NEWS #1 - First Contract for a Part A/Part B Medicare Administrative Contractor (MAC) To Be Awarded in Near Future**

### **Provider Types Affected**

All Medicare physicians, providers, and practitioners that bill Medicare fiscal intermediaries (FIs) or carriers for their services, especially those in the states of Arizona, Montana, North Dakota, South Dakota, Utah and Wyoming

### **Background**

Section 911 of the Medicare Modernization Act (MMA) requires the Secretary to implement Medicare Contracting Reform by 2011. The law mandates that CMS conduct full and open competitions, in compliance with general federal contracting rules, for the work currently handled by fiscal intermediaries and carriers in administering the Medicare fee-for-service program.

Medicare Contracting Reform will:

- Improve administrative services within the fee-for-service claims processing environment by reducing the number of contracts, focusing on correct claims payment and creating performance incentives related to timeliness, accuracy, and quality of services to CMS and to providers of services to Medicare beneficiaries;
- Lead to more efficiency and greater accountability among companies performing claims administration and provider education, and services by promoting competition and basing awards on good performance;

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- Generate operational savings to the federal government and taxpayers through consolidation and competition of large and high value contracts

With Medicare Contracting Reform, providers of health care in the original Medicare program can expect:

- Better educational and training resources on correct claims submission, Medicare coverage rules, and Medicare payment rules;
- Easier communications with a single A/B MAC serving as the point-of-contact for both Part A and Part B claims administration and payment;
- Increased payment accuracy and consistency in payment decisions resulting from CMS' increased focus on financial management by MACs; and
- An opportunity for input in evaluation of their MAC's performance through satisfaction surveys conducted by CMS.

## Key Points for Providers

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CMS soon will announce the result of the first full and open competition for a Part A/Part B Medicare Administrative Contractor (A/B MAC) conducted as part of the agency's Medicare Contracting Reform implementation strategy. This award will be for a single fee-for-service claims processing contract that will combine the workloads for a multi-state jurisdiction currently serviced both by FIs and carriers.

This first A/B MAC award will be for Jurisdiction 3, which includes the states of Arizona, Montana, North Dakota, South Dakota, Utah and Wyoming. Jurisdiction 3 represents three percent of the national fee-for-service Medicare claims volume.

With this contract award, CMS will begin to achieve efficiencies and administrative savings through the consolidation of the traditional cost-reimbursable contracts and by implementing improved contracting processes quickly.

The Request for Proposal (RFP) for the Jurisdiction 3 A/B MAC was released in September 2005. Full implementation of the new contractor is scheduled for July 2007. CMS will work with the current carriers and FIs in Jurisdiction 3, whose contracts will end with the MAC implementation, to ensure a smooth transfer of records and information to the new Jurisdiction 3 A/B MAC.

The carriers and FIs whose contracts will end are Montana Blue Cross Blue Shield, Wyoming Blue Cross, Arizona Blue Cross, and Noridian Administrative Services. CMS recognizes with gratitude the strong commitment by these corporations to serving the Medicare program for more than 40 years.

The Jurisdiction 3 A/B MAC contract award will be the first of 15 A/B MAC contracts. Each of these contracts will be for the administration of both the Medicare Part A and Part B benefits in a specified geographic jurisdiction of the country. (See the *Additional Information* section of this article for the web page

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containing a map showing the 15 jurisdictions.) All 15 contracts are to be awarded, and all A/B MACs are to be operational, by October 2011.

CMS has extensive experience in overseeing the successful transfer of Medicare claims processing work from one contractor to another. The agency is committed to ensuring that the implementation of the new A/B MAC environment will be as seamless as possible for the Medicare providers and beneficiaries.

CMS will devote full resources and manage the A/B MAC contract implementation so as to ensure continuity, accuracy, and timeliness in claims processing and issuance of payments. In Jurisdiction 3, CMS plans to implement the new A/B MAC contract by transferring the claims processing workload from the current contractors incrementally (rather than all at once) to ensure that neither providers nor beneficiaries will be adversely affected.

## Additional Information

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Information on the Jurisdiction 3 A/B MAC procurement, including the scope of work to be performed, is available on the Federal Business Opportunities website at <http://www.fbo.gov/spg/HHS/HCFA/AGG/CMS-2005-0016/Attachments.html> on the Internet.

The 15 A/B MAC jurisdictions list is available on the Medicare Contracting Reform website at <http://www.cms.gov/Medicare/Medicare-Contracting/MedicareContractingReform/Spotlight.html> on the CMS website. Individual fact sheets and data on each jurisdiction are also available there.

Suppliers may want to consult *MLN Matters* article SE0628 to see how Medicare Contracting Reform affects durable medical equipment regional carriers (DMERCs). That article is available at <http://www.cms.gov/outreach-and-education/medicare-learning-network-mln/mlnmattersarticles/downloads/SE0628.pdf> on the CMS website.

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