



News Flash - The Centers for Medicare & Medicaid Services (CMS) is working hard to expeditiously implement the Affordable Care Act (ACA). The law's Medicare fee-for-service provisions have varying effective dates and CMS' first priority is to address provisions with the earliest effective dates. CMS is committed to assuring Medicare providers are well informed as early as possible. For that reason, CMS is urging you to be on the alert for notices and instructions from CMS and from your Medicare fiscal intermediary, carrier, or Medicare Administrative Contractor, on forthcoming policy and operational changes as we implement the ACA.

MLN Matters® Number: SE1016

Related Change Requests (CRs) #: 6569 & 6902

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Re-Assignment of Certain Providers to Jurisdiction 1 and Jurisdiction 4 Medicare Administrative Contractors (MACs)

Note: This article was updated on August 27, 2012, to reflect current Web addresses. All other information remains the same.

Provider Types Affected

Certain hospitals, skilled nursing facilities, and other institutional providers who:

- a) Currently submit claims to Wisconsin Physicians Service (WPS) in its capacity as a Medicare fiscal intermediary;
- b) Were serviced by Mutual of Omaha prior to 2007 when WPS assumed the Medicare fiscal intermediary contract; and
- c) Will be transferred to the Jurisdiction 1 A/B MAC (currently Palmetto GBA) or the Jurisdiction 4 A/B MAC (currently TrailBlazer Health Enterprises) pursuant to the Centers for Medicare & Medicaid Services (CMS) geographic rule for assigning providers to MACs.

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This article was prepared as a service to the public and is not intended to grant rights or impose obligations. This article may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations and other interpretive materials for a full and accurate statement of their contents.

Impact on Providers

Change requests (CRs) 5979, 6569, and 6902 describe in more detail the CMS approach for assigning providers to MACs and discuss the process of moving providers to MACs. Pursuant to these policies and procedures, approximately 2,000 providers will be moved from WPS to the Jurisdiction 1 A/B MAC and the Jurisdiction 4 A/B MAC in year 2010.

Background

Mutual of Omaha ("Mutual") served the Medicare program as a fiscal intermediary for several decades. Medicare Part A providers located in 49 states were serviced in that workload. Mutual's Medicare functions were assumed by WPS in 2007. This fiscal intermediary workload was, and still is, identified in Medicare data systems as "workload number 52280." This set of providers has been serviced under a distinct contract and maintained in a WPS workload separate from the Jurisdiction 5 A/B MAC workload (Iowa, Kansas, Missouri, and Nebraska), which is also serviced by WPS.

Under CMS' policy framework for assigning providers to A/B MACs, each provider currently serviced by WPS in workload 52280 is slated for transition to the A/B MAC that covers the state where the provider is located. A few providers will be exempt from the geographic assignment rule. Please see Section IV below.

I. What is taking place, and when?

In keeping with CMS policy for assigning providers to A/B MACs, CMS will be reassigning two sets of providers from the WPS legacy FI contract (workload 52280) to their destination A/B MACs during calendar 2010.

The first transition affected about 1,000 providers that were transferred to the Jurisdiction 1 A/B MAC, which is Palmetto GBA. The Jurisdiction 1 transition took place on April 19, 2010. The second transition will affect another 1,000 providers transferring to the Jurisdiction 4 A/B MAC, which is TrailBlazer Health Enterprises. The Jurisdiction 4 transition is currently scheduled to take place in October of 2010.

II. When will the Jurisdiction 4 transferees be notified?

Non-chain providers will receive an initial letter during June. Providers in chains should receive their initial notice in August. This will allow the maximum amount of time for chain providers to be classified as qualified chain providers (QCPs) (see IV below) and for QCPs to make a decision as to whether they wish to centralize (or not) their Medicare billing relationship with the A/B MAC that services the state in which the QCP's home office is located.

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III. What will happen to my Medicare payments during the period around cutover weekend?

CMS, WPS, and the Jurisdiction 4 A/B MAC will coordinate activities to ensure that Medicare claims payment operations continue uninterrupted for affected providers. These transition processes were successful in the recent transfer of providers to the Jurisdiction 1 A/B MAC.

IV. How did CMS decide which providers are moving?

For several years providers have no longer been allowed to choose their FI or MAC. With certain exceptions, CMS assigns providers to A/B MACs based on the geographic location of the provider. The geographic assignment rule requires that each provider will be assigned to the MAC that covers the state where the provider is located. A discussion of the geographic assignment rule can be found in MLN Matters® article number MM5979, which is available at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/Downloads/MM5979.pdf> on the CMS website.

Providers located in the states of Hawaii, California, and Nevada, and the territories of American Samoa, Guam, and the Mariana Islands were moved to the Jurisdiction 1 A/B MAC. Providers located in the states of Texas, New Mexico, Colorado, and Oklahoma will be moved to the Jurisdiction 4 A/B MAC.

There are a few exceptions to the geographic assignment rule. One of the pertinent exceptions is for a limited subset of Medicare chains called “qualified chain providers” (QCPs). These provider chains are comprised of ten or more hospitals, and/or skilled nursing facilities (SNFs) collectively operating 500 or more certified Medicare beds. See the regulation at 42 CFR 421.404 for the detailed requirements. If a hospital or a SNF is part of a QCP, then CMS considers the location of the QCP’s “home office.”

If the QCP home office is located in a state or territory covered by Jurisdiction 1 (California, Hawaii, Nevada, American Samoa, Guam, or the Mariana Islands), then all the hospitals and SNFs in that QCP were transferred to the Jurisdiction 1 A/B MAC – even if the provider is located elsewhere.

If the QCP home office is located in a state covered by the Jurisdiction 4 (Texas, New Mexico, Colorado, or Oklahoma), then all hospitals and SNFs in the QCP will be transferred to the Jurisdiction 4 A/B MAC – even if the provider is located elsewhere.

If the QCP home office is located in a state not covered by either Jurisdiction 1 or Jurisdiction 4, then all the providers in the subject QCP will remain in the WPS fiscal intermediary workload until CMS schedules future provider transfers to A/B MACs.

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The second pertinent exception is for providers that are provider-based pursuant to 42 CFR 413.65. These providers will be moved (or not moved) based on CMS' assignment of the "main provider" to the appropriate A/B MAC under CR 5979. The third exception is for hospital subunits pursuant to 42 CFR 483.5(b). These providers will also be moved (or not moved) together with the connected hospital.

Additional Information

For complete details regarding the Jurisdiction 1 A/B MAC CR please see the official instruction (CR 6569) issued to your Medicare FI, A/B MAC, or RHHI. That instruction may be viewed by going to <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R5830TN.pdf> on the CMS website.

For complete details regarding the Jurisdiction 4 A/B MAC CR please see the official instruction (CR6902) issued to your Medicare FI, A/B MAC, or RHHI. That instruction may be viewed by going to <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R6910TN.pdf> on the CMS website. To view any of the federal regulations cited in this article or in CR5979, visit <http://www.gpoaccess.gov/cfr/index.html> on the Internet.

If you have questions, please contact your Medicare FI, A/B MAC, or RHHI at their toll-free number which may be found at <http://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/provider-compliance-interactive-map/index.html> on the CMS website.

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