



**News Flash** - As a result of the Affordable Care Act (ACA), claims with dates of service on or after January 1, 2010, received later than one calendar year beyond the date of service will be denied by Medicare. For full details, see the MLN Matters® article, MM6960, at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/downloads/MM6960.pdf> <http://www.cms.gov/MLN/MLNMattersArticles/downloads/MM6960.pdf> on the Centers for Medicare & Medicaid Services website.

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## Preparing for a Transition from an FI/Carrier to a Medicare Administrative Contractor (MAC) or from one Durable Medical Equipment (DME) MAC to another DME MAC

**Note:** This article was updated on August 27, 2012, to reflect current Web addresses. This article was initially issued as SE0837 in 2008. It was re-issued as SE1017 in order to update the content to reflect current experiences with transitions to a MAC.

### Provider Types Affected

All fee-for-service physicians, providers, and suppliers who submit claims to Fiscal Intermediaries (FIs), Carriers, Regional Home Health Intermediaries (RHHIs), or DME MACs for services provided to Medicare beneficiaries. Providers already billing Medicare Administrative Contractors (MACs) have already transitioned and need not review this article. However, suppliers billing DME MACs may find the article of value as the Centers for Medicare & Medicaid Services (CMS) recompetes the DME MAC contracts, which could cause a transition from an incumbent DME MAC to a new DME MAC.

### Impact on Providers

This article is intended to assist all providers that will be affected by Medicare Administrative Contractor (MAC) implementations (or DME MAC transitions due to recompeting the DME MAC Contracts). CMS is providing this information to make

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you aware of what to expect as your FI or carrier transitions its work to a MAC (or your DME MAC to another DME MAC). Knowing what to expect and preparing as outlined in this article will minimize disruption in your Medicare business. Please note that other Medicare contractors servicing your region will be unaffected by this change, such as the Qualified Independent Contractor (QIC for reconsiderations), Recovery Audit Contractor (RAC), the Program Safeguard Contractor (PSC), and the Zone Program Integrity Contractor (ZPIC).

**NOTE to DME suppliers:** The remainder of this article focuses on transitions from carriers or FIs to MACs, but suppliers note the information may also pertain to your business if there is a transition from your DME MAC to another DME MAC as those contracts are recompeted.

## Background

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Medicare Contracting Reform (or section 911 of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003) mandates that the Secretary for Health & Human Services replace the current contracting authority to administer the Medicare Part A and Part B Fee-For-Service (FFS) programs, contained under Sections 1816 and 1842 of the Social Security Act, with the new MAC authority. Medicare Contracting Reform requires that CMS conduct full and open competitions, in compliance with general federal contracting rules, for the work currently handled by FIs and carriers in administering the Medicare FFS program.

When completed, there will be 15 new MACs processing Part A and Part B claims. Each MAC services a distinct set of contiguous states, also known as a "jurisdiction". Each MAC will handle different volumes of work based upon the geographic breakout of the 15 MACs. Because of this, the MACs will vary in geographic size and the amount of work they handle. Having 15 MACs should result in greater consistency in the interpretation of Medicare policies, which is a key goal of Medicare Contracting Reform.

## MAC Implementation Milestones/Definitions

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There are specific milestones in the cutover from carrier or FI work to MAC. In this article, providers are advised to be aware of, and to take specific action relative to the milestones defined below:

**Award** – This is the point at which a MAC is announced as having won the contract for specific FI or carrier work.

**Cutover** – This is the date on which the carrier or FI work ceases and MAC work begins. Cutover is often done in phases by State-level jurisdictions. Because of the amount of activity involved in a cutover, there may be interrupted services for a day or two.

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**Outgoing Contractor** - A Medicare carrier or FI whose Title XVIII contract is non-renewed as a result of Medicare Contracting Reform and whose work will transition to a MAC.

**Incoming MAC** - The entity that has won a contract under Medicare Contracting Reform and which will assume the workload that was performed by a carrier or FI.

## Pre - Award

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If you are in a jurisdiction where a new MAC has not yet been awarded, you can remain current with updates on Medicare Contracting Reform by visiting <http://www.cms.gov/Medicare/Medicare-Contracting/MedicareContractingReform/index.html> on the CMS website.

## Post- Award

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Once the award to the MAC is made, you should immediately begin to prepare for the cutover. The following are recommendations to help you in this effort:

**Pay attention to the mail** you receive from your outgoing Medicare contractor and your new MAC--you will be receiving letters and listserv messages about the cutover from both. These letters should include discussions on what, if any, impact the cutover will have on your payment schedule, issuance of checks, impact on paper and electronic claims processing, electronic funds transfers, appeals, customer service, etc. Focus on necessary actions you must take and the critical due dates assigned, to avoid any disruptions in claims payment.

**Sign up for your new MAC's listserv or if you aren't signed up for your current FI or carrier's listserv, please do so immediately.** While in many cases the list of providers that were in the jurisdiction of the outgoing Medicare contractor will be shared with the incoming MAC, that may not always be the case. Subscribing to the MAC listserv distribution will ensure that you receive news and resource tools as they become available concerning the implementation.

**Access and bookmark the MAC's website, particularly any part of the site devoted to information about the MAC transition/implementation) and visit it regularly.** The MAC may have a new website that will have general information, news and updates, information on the MAC's requirements of providers, copies of newsletters and information on meetings and conference calls that are being conducted by the MAC.

**Review the Frequently Asked Questions (FAQs) on the MAC's website.**

**Participate in the MAC's advisory groups and "Ask the Contractor" teleconferences.** (Note that these advisory groups are usually limited in size.) Every MAC will be conducting conference calls to give providers the opportunity to ask questions and have open discussion. Take advantage of the opportunity to communicate

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with the new MAC!

Review the MAC's Local Coverage Determinations (LCDs) as they may be different from the outgoing contractor's LCDs. The MAC must provide education on LCDs. Providers should monitor MAC communications and website for information regarding potential changes to the LCDs.

### Two-Three Months Prior to Cutover

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- **Complete and return your Electronic Funds Transfer (EFT) agreements.** CMS requires that each provider currently enrolled for EFT complete a new CMS-588 for the new MAC **and, if you are not on EFT, this may be a good opportunity to consider enrollment in EFT.** (If your new MAC is the same entity as your current FI/carrier, then a new EFT agreement is not needed.) This form is a legal agreement between you and the MAC that allows funds to be deposited into your bank account. It is critical for the MAC to receive these forms before any payments are issued. Complete the CMS-588 and submit it to the MAC to ensure that there is no delay or disruption in payment. We encourage you to do this no later than 60 days prior to cutover. If you fail to submit the CMS-588 form as required, the new MAC will place you in a "Do Not Forward" (DNF) status as required by Chapter 1, Section 80.5 of the Medicare Claims Processing Manual. Contact your MAC with any questions concerning the agreement.

The CMS-588 form can be found at <http://www.cms.gov/Medicare/CMS-Forms/CMS-Forms/downloads/CMS588.pdf> on the CMS website. You are encouraged to submit the [agreements no later than 60 days prior to the planned cutovers. To do so, you will need to note the mailing address for the form, which is available on the MAC's website.](#) Your current contractor may also provide instructions on its website on accurately completing the form.

- Your new MAC may also request you to execute a new **Electronic Data Interchange (EDI) Trading Partner Agreement** as well. If so, be sure to complete that agreement timely. Some helpful information on such agreements is available at <http://www.cms.gov/Regulations-and-Guidance/HIPAA-Administrative-Simplification/EducationMaterials/downloads/TradingPartner-8.pdf> on the CMS website.
- Some (not all) MAC contractors may assign you a new EDI submitter/receiver and logon IDs as the cutover date

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approaches. Review your mailings from the MAC and/or their website for information about assignment of new IDs and whether you have to do anything to get those IDs. The MAC EDI staff will send these submitter IDs and passwords to you in hardcopy or electronically. **You don't need to do anything to get the new IDs**; however, if you do receive a new ID and password, CMS strongly suggests that you contact the incoming MAC to test these IDs. Since there may be a different EDI platform, it is critical to consider testing to minimize any disruption to your business at cutover.

- **Contact your claims processing vendor, billing department, and clearinghouse** to ensure that they are aware of all changes affecting their ability to process claims with the new MAC. Ask your vendor, "Are you using the new contractor number or ID of the new MAC, submitter number and logon ID?"; "Have you tested with the MAC?"
- Because the contractor number is changing, your EDI submissions need to reflect the new MAC number at cutover.
- Be aware of the last date you can receive and download electronic remittance advices (ERAs) from your outgoing contractor.
- Be aware that some MACs may offer participation in an "early boarding" process for electronic claims submission and/or Electronic Remittance Advice (ERA). This will enable submitters the ability to convert to the new MAC prior to cutover. If you are currently receiving ERAs, you will continue to do so after cutover. As mentioned previously, some MACs may assign a new submitter/receiver ID and password –watch for and document them for use after cutover to the MAC.

## Cutover Weekend

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Be aware that in certain situations, CMS will have the outgoing Medicare contractor release claims payments a few days early in preparation for implementation weekend (weekend prior to cutover). Providers will be notified prior to the cutover date if they will receive such payments. While the net payments are the same, providers will experience increased total payments followed by no payments for a two week period.

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Be aware that providers may also experience system "**dark days**" around cutover weekends. Providers will be notified by the MAC or outgoing contractor if a dark day(s) is planned for the MAC implementation. During a dark day, the Part A provider will have limited EDI processing and no access to Fiscal Intermediary Standard System (FISS) to conduct claim entry or claim correction, verify beneficiary eligibility and claim status. Those providers who currently bill carriers may also experience some limited access to certain functions, such as beneficiary eligibility and claims status on dark days.

Be aware that some Interactive Voice Response (IVR) functionality may also be unavailable during a dark day.

## Post-Cutover

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- The first 1-2 weeks may be extremely busy at the MAC. The outgoing Medicare contractor will have the "in-process" work delivered to the new MAC shortly after cutover. It takes a week in most cases to get that workload into the system and distributed to staff.
- The new MAC will likely have new mailing addresses and telephone numbers or will transition the outgoing contractor toll-free number for use.
- Be prepared that you may experience longer than normal wait times for Customer Service Representatives (CSRs) and lengthier calls the first few weeks after implementation. The telephone lines are always very busy immediately following cutover. The MAC's staff will carefully research and respond to new callers to be certain that there are no cutover issues that have not been discovered.
- **Learn how to use the MAC's IVR.** The MAC IVR software and options may be different from the outgoing FI or carrier. A new IVR can take time to learn. Most calls are currently handled by IVR. If users are unfamiliar and resort to calling the Customer Service Representative (CSR) line, the result is a spike in volume of calls to CSRs that are difficult to accommodate.
- Check the MAC's outreach and education event schedule on the MAC's and outgoing contractor's websites. It is recommended that you have staff attend some of the education courses that may be offered by the MAC.
- Be aware that there may be changes in faxing policies

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(e.g., for medical records).

- Be aware that there will be changes to PO Boxes and addresses for the submission of requests for Redeterminations (appeals), inquiries, and written reopening requests.
- Be aware that the MAC may edit claims differently from your outgoing contractor, so it is important to review your Remittance Advices (RAs) carefully to identify when this occurs.
- Be aware that you may experience changes in RA coding. While the combination of codes used on the RA is often directed by CMS, there may be payment situations where the codes used on the RA are at the discretion of the contractor. In addition, some contractors may have their own informational codes that they use on paper RA for some payment situations.

## CMS Post-Cutover Monitoring

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Post-cutover is the CMS-designated period of time beginning with the MAC's operational date. During the post-cutover period, CMS will monitor the MAC's operations and performance closely to ensure the timely and correct processing of the workload that was transferred. The post-cutover period is generally three months, but it may vary in length depending on the progress of the implementation.

## Additional Assistance

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There are three attachments at the end of this article to assist you in keeping informed of the progress of the cutover as well as documenting important information:

- Attachment A is a summary of what you need to do and information you will need;
- Attachment B may be used to track communications offered by the MAC, such as training classes and conferences, and your staff participation; and
- Attachment C may be used to assist you in tracking major MAC milestones.

## Additional Information

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The following MLN Matters article provides additional information about the MAC implementation process:

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- MM5979: "Assignment of Providers to Medicare Administrative Contractors" located at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/downloads/mm5979.pdf> on the CMS website.
- MM6207: "Initial Enrollment Assignment for Federally Qualified Health Centers (FOHCs), End Stage Renal Disease (ESRD) Facilities, and Rural Health Clinics (RHCs)", located at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/downloads/MM6207.pdf> on the CMS website.

If you have questions, please contact your Medicare carrier, FI, A/B MAC, and/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.

### Attachment A

#### TIMELINE AND CHECKLIST FOR PREPARING FOR MAC IMPLEMENTATION

- |                        |                                   |
|------------------------|-----------------------------------|
| Scheduled Award Date:  | MAC Cutover Date:                 |
| Actual Award Date:     | MAC Scheduled Dark Days           |
| MAC Contractor:        | MAC Website:                      |
| MAC Contractor Number: | MAC Contact Center Number: 1-800- |
| MAC Mailing Address:   | MAC EDI Mailing Address:          |

#### 90 DAYS BEFORE CUTOVER

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1. Visit MAC website and bookmark for future use.
2. Join the MAC Listserv.
3. **Monitor:**
  - LCDs published by the new MAC; compare current LCDs that affect your practice's services.
4. **Review:**
  - Provider enrollment status for all providers, update as needed.
  - Pay-to address information for practice/providers, update as needed.
5. **Contact:**
  - Your Practice Management/Billing software vendor to determine if your system will be able to send & receive data to/from the new MAC.
  - Your claims clearinghouse (if used) to confirm they are or will be able to send and receive data to/from the new MAC.
  - Your billing department, vendor, or clearinghouse to be sure they are aware of the changes communicated from the incoming and outgoing contractors. To avoid delays in claims submission and processing and appeals requests submission, effective dates must be communicated to your appropriate provider staff and resources.

### **75 DAYS BEFORE CUTOVER**

1. Check the MAC's website and/or Listserv for outreach programs, educational and informational events, FAQs, and conference calls.
2. Check your state's Medical Society or local provider organization website for MAC transition information, MAC Coordinators.

### **60 DAYS BEFORE CUTOVER**

1. Submit CMS Form 588 – EFT form(s) to the new MAC, if needed.
2. Register for Electronic Remittance Advice (ERA) enrollment, if you are not already enrolled.
3. Download or request a sample Remittance Advice (RA). RA codes are standard but use of codes may vary across contractors.
4. Submit test electronic claims as soon as new MAC indicates this is possible.

### **45 DAYS BEFORE CUTOVER**

1. Monitor current carrier/FI claim submissions and follow-up any open or unanswered claims that are more than 30 days past submission date.
2. Begin staff training on the MAC transition, covering locations, LCDs, telephone and fax numbers and other changes.
3. Verify readiness of software vendor, clearinghouse(s) and other trading partners.

### **30 DAYS BEFORE CUTOVER**

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1. Continue to monitor current carrier/FI claim submissions and follow-up any open or unanswered claims that are more than 30 days past submission date.
2. New EDI Submitter ID number and password should be received.
3. New ERA enrollment confirmation should be received.
4. Submit test electronic claims if you have not done so by now.
5. Address and resolve any electronic claim issues within 10 business days.
6. Begin daily monitoring of the MAC website and e-mail from the MAC Listserv.

### **15 DAYS BEFORE CUTOVER**

1. Continue to monitor current carrier/FI claim submissions.
2. Verify EDI and ERA connections are operational in the new environment.
3. Collect and record all MAC telephone and fax numbers for: General Inquiry Customer Service, Provider Enrollment, Provider Relations, EDI and ERA.
4. Become familiar with the MAC IVR query system by taking advantage of educational opportunities as most IVRs are not available until cutover because new outgoing claims/NPI information has not been loaded for accessibility.
5. Continue daily monitoring of e-mail from the MAC Listserv and the MAC website.

### **10 DAYS BEFORE CUTOVER**

1. Address any existing open items.
2. Continue daily monitoring of e-mail from the MAC Listserv and the MAC website.

### **5-10 DAYS AFTER CUTOVER**

1. Begin submitting claims to the new MAC.
2. Continue daily monitoring of e-mail from the MAC Listserv and the MAC website.
3. Monitor and follow up on the MAC Open Item list.

### **30 DAYS AFTER CUTOVER**

1. Electronic payments should be arriving by now.
2. Payments for paper claims may be arriving by now.

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Attachment B

SCHEDULE OF MAC CONTRACTOR TRAINING CLASSES

Scheduled Date	Title of Class	Attendee

SCHEDULE OF MAC CONFERENCES

Scheduled Date	Conference Subject	Attendee

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**Attachment C**  
**Important MAC Implementation Dates**

<b>MAC Dark Days</b>	
<b>Cutoff Date for Claims Submission to the Outgoing Contractor</b>	
<b>Last Date Outgoing Contractor Will Make Payment</b>	
<b>Last Date Outgoing Contractor Will Have Telephone/Customer Service</b>	
<b>Last Date Outgoing Contractor Will Send File to Bank</b>	
<b>Last Date to Retrieve ERAs from Outgoing Contractor</b>	
<b>Date MAC Will Accept Electronic Claims</b>	
<b>Date MAC Will Accept Paper Claims</b>	
<b>Date MAC Bill/Claim Cycle Begins</b>	
<b>Date MAC Will Accept Written Appeals Requests (Redeterminations)</b>	
<b>First Anticipated MAC Payment Date</b>	
<b>Date MAC Begins Customer Service</b>	

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