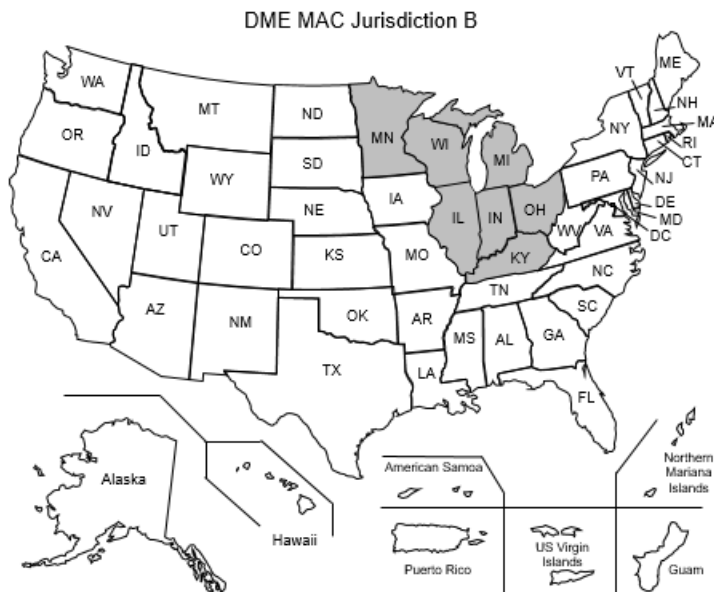


Award of Medicare Administrative Contractor (MAC) Contract for Jurisdiction B

- On March 28, 2023, the Centers for Medicare & Medicaid Services (CMS) announced that CGS Administrators, LLC (CGS) has been awarded a contract for the administration of Medicare Fee-for-Service claims for durable medical equipment, prosthetics, orthotics, and supplies (DMEPOS) in Illinois, Indiana, Kentucky, Michigan, Minnesota, Ohio, and Wisconsin. The service area is depicted in gray shading on the map below. The anticipated effective date of the new contract is April 1, 2023.



- This jurisdiction comprises approximately 19.2% of the overall national Medicare FFS DMEPOS claims volume, equating to more than \$1.6 billion in Medicare benefit payments annually. The DME MAC Jurisdiction B contract will provide Medicare services to more than 5.8 million Medicare Fee-for-Service beneficiaries and approximately 15,657 Medicare DMEPOS suppliers.
- This contract award concludes another re-competition of a MAC contract under the competitive contracting provisions of the Medicare Prescription Drug, Improvement and Modernization Act of 2003. The previous MAC contract for DME MAC Jurisdiction B was awarded to CGS in September 2015.
- This DME MAC Jurisdiction B contract includes a base year and six option years. The contract is a ‘cost plus award fee’ contract; the award fee will be earned only if CGS exceeds the base requirements of the contract. Inclusive of all options, the newly-awarded DME MAC Jurisdiction B contract has a total estimated value of \$218,864,645.
- As CGS is the incumbent contractor for DME MAC Jurisdiction B, CMS anticipates that implementation of the new contract will go smoothly, with few (if any) disruptions in service for Medicare beneficiaries and suppliers.
- To support the performance of the newly-awarded MAC contract, CGS will perform the contract from its offices in Nashville, Tennessee.
- CGS will perform Medicare fee-for-service activities including processing claims received from suppliers; appeals; re-openings; customer service; provider outreach and education; and medical review.

- CMS has stringent standards for contract performance on these MAC contracts and measures performance through a variety of processes, including on-site oversight, data reviews and protocol-driven quality assurance reviews, as well as independent audits. As CMS continues to use the competitive process to select Medicare claims administration contractors, technical approach and past performance will be major evaluation factors.
- Questions about the contract award should be directed to Mark Werder in CMS' Office of Acquisition and Grants Management. Mr. Werder may be reached at 410-786-7839 or at Mark.Werder@cms.hhs.gov.