

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

- On August 20, 2020, the Centers for Medicare & Medicaid Services (CMS) announced that CGS Administrators, LLC (CGS) has been awarded a contract for the administration of Medicare Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) Fee-for-Service claims in the states/territories of 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 (DME MAC Jurisdiction C). The 17 states/territories are depicted in gray shading in the map below. The anticipated effective date of the new contract is September 1, 2020.



- This jurisdiction comprises approximately 37.7% of the overall national Medicare FFS DMEPOS claims volume, equating to more than \$3.4 billion in Medicare benefit payments annually. The DME MAC Jurisdiction C contract will provide Medicare services to more than 31,500 DME Suppliers and 13 million Medicare beneficiaries.
- 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 C was awarded to CGS Administrators, LLC in August 2012.
- This DME MAC Jurisdiction C contract includes a base year and six option years. This is the first full and open competition where an DME MAC contract was awarded pursuant to MACRA 509 provisions that allow CMS to award contracts for longer than five 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 C contract has a total estimated value of \$215,684,560.

- CGS will perform Medicare fee-for-service activities including processing claims received from providers and 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 Jeannine Bohlen in CMS' Office of Acquisition and Grants Management. Ms. Bohlen may be reached at 410-786-2864 or at Jeannine.Bohlen@cms.hhs.gov.