

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

- On December 18, 2020, the Centers for Medicare & Medicaid Services (CMS) announced that Noridian Healthcare Solutions, LLC (Noridian) has been awarded a contract for the administration of Medicare Part A and Part B Fee-for-Service claims in the states and territories of American Samoa, California, Guam, Hawaii, Nevada and Northern Mariana Islands (A/B MAC Jurisdiction E). The anticipated contract effective date is January 1, 2021. The three states in Jurisdiction E are depicted in gray shading in the map below.



- Noridian's contract will also include servicing a number of hospitals, skilled nursing facilities, and other institutional providers located across the country.
- The public health emergency has impacted Medicare fee-for-service benefit payments nationally. In a normal year, JE would pay out over \$38 billion in Medicare Part A & B benefits, or approximately 9.7% of the total national benefit expenditures which normally exceed \$400 billion. The A/B MAC Jurisdiction E contract will provide Medicare services to more than 470 hospitals, approximately 123,900 physicians, and almost 4 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 A/B MAC Jurisdiction E was awarded to Noridian in September 2012.
- This A/B MAC Jurisdiction E contract includes a base year and six option years. This is the sixth full and open competition where an A/B 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 Noridian exceeds the base requirements of the contract. Inclusive of all options, the newly awarded A/B MAC Jurisdiction E contract has a total estimated value of \$556,805,519.
- Noridian will perform Medicare fee-for-service activities including processing claims received from providers and suppliers; appeals; re-openings; provider and supplier enrollment; customer service; provider outreach and education; medical review; and cost report audits.
- 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 Brenda Clark in CMS’ Office of Acquisition and Grants Management. Ms. Clark may be reached at 410-786-5165 or at Brenda.Clark@cms.hhs.gov.