

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Room 303-D
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Washington, DC 20201



Office of External Affairs

MEDICARE NEWS

FOR IMMEDIATE RELEASE
September 29, 2006

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CMS COMPETES ADDITIONAL MEDICARE ADMINISTRATIVE CONTRACTORS

MOVE AIMED AT IMPROVED SERVICES TO BENEFICIARIES, PROVIDERS, AND SUPPLIERS

The Centers for Medicare & Medicaid Services (CMS) today released a Request for Proposal (RFP) for new Medicare Administrative Contractors (MACs) that will streamline the processes to pay Medicare claims and answer providers' questions about Medicare payments for services.

This RFP is for three of 15 separate contracts that will be issued as part of the Medicare contracting reform created by the Medicare Modernization Act. Under these improvements, Medicare will continue its move from a network of Part A fiscal intermediaries who process claims for hospitals and other institutional providers, and Part B carriers who process claims for physicians, laboratories, and other suppliers to one that will combine responsibility for both Part A and Part B claims. This will allow for a greater coordination of claims processing when a beneficiary receives services in different settings. For providers, this will also mean having one place to go for questions about claims.

CMS expects to achieve high performance from MACs for claims administration, with the focus, through competition, on greater efficiency, innovation and outstanding performance.

“The announcement of this RFP is a major step forward in CMS’s efforts to bring the benefits of full and open competition into play in selecting the contractors who carry so much responsibility for the proper administration of the Medicare program,” said CMS Administrator Mark B. McClellan, M.D., Ph.D. “We’re continuing to work to improve service for the providers and suppliers who treat Medicare beneficiaries.”

Together these contractors will be responsible for 23 percent of the total Medicare fee-

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for-service workload, comprised of claims from the following jurisdictions:

- Jurisdiction 4 – Colorado, New Mexico, Oklahoma, and Texas
- Jurisdiction 5 – Iowa, Kansas, Missouri and Nebraska
- Jurisdiction 12 – Delaware, the District of Columbia, Maryland, New Jersey and Pennsylvania

The RFP also contains unique requirements for specific MACs. These include:

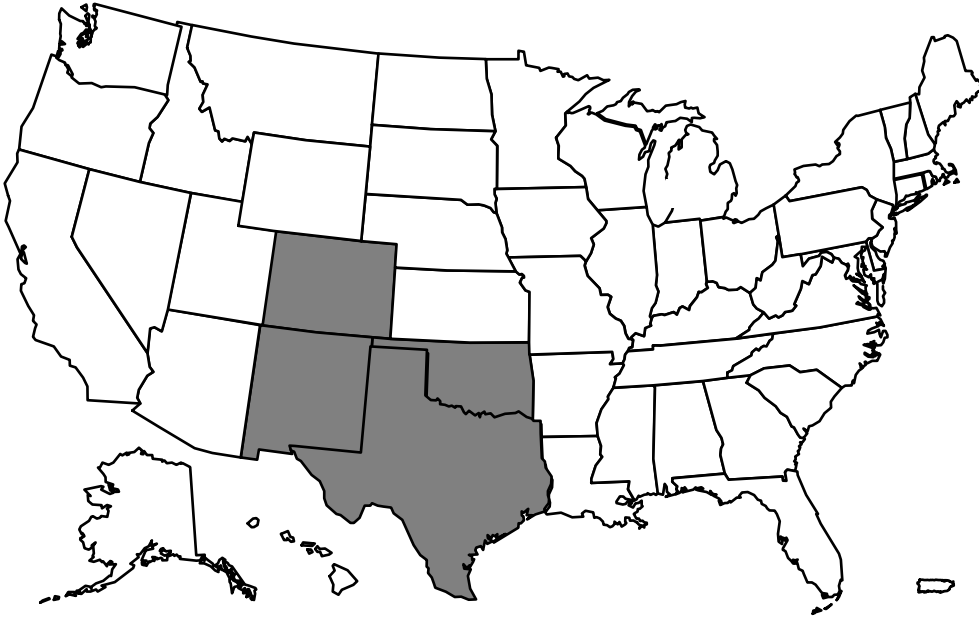
- Jurisdiction 4 has special requirements for Indian Health Services, the Veterans Affairs Medicare Equivalent Remittance Advice, centralized billing for mass immunizers, rural community hospitals, and a chiropractic demonstration.
- Jurisdiction 5 has special requirements for rural community hospitals, a chiropractic services demonstration, and a low vision demonstration.

Fact Sheets about Jurisdictions 4, 5 and 12 are appended to this release. CMS expects to award these contracts in July 2007. CMS intends to issue a separate RFP for four other MAC jurisdictions in December 2006, and additional RFPs will be issued in 2007 for the remainder of the 15 MAC jurisdictions.

CMS previously awarded an A/B MAC contract for Jurisdiction 3, covering Arizona, Montana, North Dakota, South Dakota, Utah, and Wyoming, as well as four specialty contracts for the Durable Medical Equipment MACs. The Government Accountability Office sustained a protest of the award for DME MAC Jurisdiction C. After that decision, CMS undertook corrective action. After evaluation of final proposal revisions under the corrective action, CMS today also announced that it had awarded the contract for DME MAC Jurisdiction C to CIGNA Government Services, LLC (CIGNA).

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**A/B MAC Jurisdiction 4
Medicare Fee-for-Service Claims Processor**



Jurisdiction 4 - Colorado, New Mexico, Oklahoma, and Texas

- Total Number of Fee-For-Service Beneficiaries: 3,403,920 (as of 2005)
- Total Number of Beneficiaries (including managed care plans): 3,847,549 (as of 2005)
- Total Number of Practitioners: 103,174 (as of April 2006)
- Total Number of Medicare Hospitals: 823 (as of 2005)
- Total Annual Claims Volume: 9.1 percent of national workload (as of 2005)

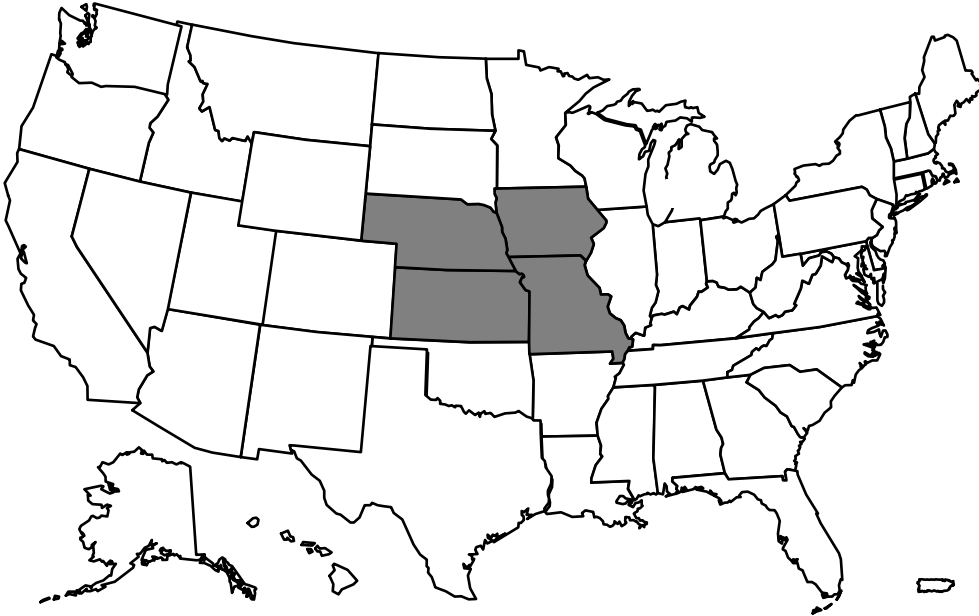
Current Fiscal Intermediaries and Carriers Operating in Jurisdiction

- Arkansas Blue Cross and Blue Shield (carrier for New Mexico and Oklahoma)
- Group Health Service of Oklahoma, Inc. (FI for Oklahoma)
- Mutual of Omaha Insurance Company (FI for some providers in Colorado, New Mexico, Oklahoma and Texas)
- Noridian Mutual Insurance Company (carrier for Colorado)
- TrailBlazer Health Enterprises, LLC (FI for Colorado, New Mexico and Texas; carrier for Texas)

RFP Issuance – September 28, 2006

Award Date – July 2007

**A/B MAC Jurisdiction 5
Medicare Fee-for-Service Claims Processor**



Jurisdiction 5 - Iowa, Kansas, Missouri and Nebraska

- Total Number of Fee-For-Service Beneficiaries: 1,894,851 (as of 2005)
- Total Number of Beneficiaries (including managed care plans): 2,062,673 (as of 2005)
- Total Number of Practitioners: 59,893 (as of April 2006)
- Total Number of Medicare Hospitals: 534 (as of 2005)
- Total Annual Claims Volume: 4.9 percent of national workload (as of 2005)

Current Fiscal Intermediaries and Carriers Operating in Jurisdiction

- Arkansas Blue Cross and Blue Shield (carrier for Eastern Missouri)
- Blue Cross and Blue Shield of Alabama (FI for Iowa)
- Blue Cross and Blue Shield of Kansas, Inc. (FI for Kansas; carrier for Kansas, Western Missouri, and Nebraska)
- Blue Cross and Blue Shield of Mississippi (FI for Missouri)
- Blue Cross and Blue Shield of Nebraska (FI for Nebraska)
- Mutual of Omaha Insurance Company (FI for some providers in Iowa, Kansas, Missouri and Nebraska)
- Noridian Mutual Insurance Company (carrier for Iowa)

RFP Issuance – September 28, 2006

Award Date – July 2007

**A/B MAC Jurisdiction 12
Medicare Fee-for-Service Claims Processor**



Jurisdiction 12 - Delaware, District of Columbia, Maryland, New Jersey and Pennsylvania

- Total Number of Fee-For-Service Beneficiaries: 3,595,572 (as of 2005)
- Total Number of Beneficiaries (including managed care plans): 4,263,310 (as of 2005)
- Total Number of Practitioners: 132,757 (as of April 2006)
- Total Number of Medicare Hospitals: 439 (as of 2005)
- Total Annual Claims Volume: 10.9 percent of national workload (as of 2005)

Current Fiscal Intermediaries and Carriers Operating in Jurisdiction

- Blue Cross and Blue Shield of Tennessee (FI for New Jersey)
- Empire HealthChoice Assurance, Inc. (FI for Delaware; carrier for New Jersey)
- Highmark, Inc. – HGSAdministrators (carrier for Pennsylvania)
- Highmark, Inc. (FI for District of Columbia, Maryland, and Pennsylvania)
- Mutual of Omaha Insurance Company (FI for some providers in Delaware, District of Columbia, Maryland, New Jersey and Pennsylvania)
- TrailBlazer Health Enterprises, LLC (carrier for Delaware, District of Columbia and Maryland)

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