

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

- On April 1, 2015, the Centers for Medicare & Medicaid Services (CMS) announced that Palmetto GBA has been awarded a contract for the administration of Medicare Part A and Part B Fee-for-Service claims in the states of Virginia, West Virginia, North Carolina, and South Carolina (A/B MAC Jurisdiction M).
- This jurisdiction comprises approximately 8.9% of the overall national Medicare Fee-for-Service Part A and Part B claims volume. The A/B MAC Jurisdiction M contract will provide Medicare services to more than 350 hospitals, 59,000 physicians, and 3.3 million Medicare beneficiaries.



- This contract will also administer Medicare home health and hospice Fee-for-Service claims in the states of Alabama, Arkansas, Florida, Georgia, Illinois, Indiana, Kentucky, Louisiana, Mississippi, New Mexico, North Carolina, Ohio, Oklahoma, South Carolina, Tennessee and Texas.
- This contract award concludes another re-competition of a Medicare Administrative Contractor (MAC) contract awarded under the competitive contracting provisions of the Medicare Prescription Drug, Improvement and Modernization Act of 2003. The original MAC contract for A/B MAC Jurisdiction M (formerly designated as A/B MAC Jurisdiction 11) was awarded to Palmetto GBA in May 2010.
- The new A/B MAC Jurisdiction M contract includes a base year and four option years, for a maximum duration of five years. The contract is a “cost plus award fee” contract; the award fee will be earned only if Palmetto GBA exceeds the base requirements of the contract.
- Inclusive of all options, the awarded A/B MAC Jurisdiction M contract has a total estimated value of \$394.8 million.
- As Palmetto GBA is the incumbent contractor for this MAC jurisdiction, CMS anticipates that

implementation of the new contract will go smoothly, with few (if any) disruptions in service for Medicare beneficiaries and providers.

- Palmetto GBA will perform this contract work in its Columbia, South Carolina, headquarters, with support from its Augusta, Georgia, Camden, South Carolina, and Wheelersburg, Ohio, facilities.
- In addition to processing Medicare Part A and Part B provider claims in A/B MAC Jurisdiction M, Palmetto GBA will perform other critical Medicare functions, including enrolling and auditing Medicare providers, as well as educating these providers on Medicare coverage requirements.
- Palmetto GBA will also be responsible for responding to several unique MAC contract requirements; for instance, Palmetto GBA will serve as the specialty MAC for the Molecular Diagnostic Test Project.
- CMS has stringent standards for contract performance on these 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 claims administration contractors, past performance and technical approach will be major evaluation factors.
- Questions about the contract award should be directed to Salem Fussell in CMS' Office of Acquisition and Grants Management. Mr. Fussell may be reached at 410-786-8859 or at Salem.Fussell@cms.hhs.gov.