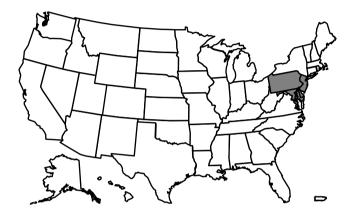
Award of Part A/B (A/B) Medicare Administrative Contractor (MAC) Contract for Jurisdiction L

- On September 17, 2012, the Centers for Medicare & Medicaid Services (CMS) announced that Novitas Solutions, Inc. (Novitas) was awarded a new contract for the administration of Medicare Part A and Part B fee-for-service claims in the states of Delaware, Maryland, New Jersey, and Pennsylvania, as well as the District of Columbia (also known as A/B MAC Jurisdiction L).
- The new A/B MAC Jurisdiction L 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 Novitas exceeds the base requirements of the contract.



- Inclusive of all options, the newly-awarded contract has an estimated value of \$404.1 million. CMS issued the solicitation for the A/B MAC Jurisdiction L contract in January 2012.
- In addition to processing Part A and Part B claims in Jurisdiction L, Novitas will perform other critical Medicare fee-for-service operational functions, including enrolling, educating, and auditing Medicare providers.
- About 3.5 million Medicare fee-for-service beneficiaries reside in Jurisdiction L. Novitas will serve approximately 425 Medicare hospitals and about 86,000 physicians. Jurisdiction L comprises approximately 10.9% of the national Medicare fee-for-service Part A and Part B claims volume.
- Novitas currently services this Medicare workload under an A/B MAC contract that was awarded in October 2007 (when Jurisdiction L was known as Jurisdiction 12).
- As Novitas is the incumbent contractor for A/B MAC Jurisdiction 12 (to be known as Jurisdiction L), CMS anticipates that implementation of the new contract will go smoothly, with few disruptions in service for Medicare beneficiaries and providers.
- CMS has stringent standards for contract performance for Medicare claims administration contracts. CMS measures performance through a variety of processes, including on-site reviews, data validation 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 capability are major evaluation factors.

 Questions about the contract award should be directed to Edward B. Farmer, Jr. ("Chip") in CMS' Office of Acquisition and Grants Management. Mr. Farmer may be reached at 410-786-1997 or at Edward.Farmer@cms.hhs.gov.