

## **Resolution of the Award Protest of the Part A/B Medicare Administrative Contractor for Jurisdiction 11**

- On May 21, 2010 the Centers for Medicare & Medicaid Services (CMS) announced that Palmetto GBA has been awarded the contract for the combined administration of Part A and Part B Medicare fee-for-service claims in Jurisdiction 11 (J11) comprised of North Carolina, South Carolina, Virginia and West Virginia.
- This contract award is the result of voluntary corrective action taken by CMS when the original award to Palmetto GBA in January 2009 was protested to the GAO by another bidder.
- The corrective action was a result of issues raised during CMS's review of the supplemental protest. In completing the corrective action, CMS conducted a thorough review of revised final proposal revisions and determined Palmetto GBA represented the best value to the Government.
- CMS has learned a tremendous amount about integrating multiple complex and large initiatives, and is pleased that the lessons learned from the early implementations will be applied to the decisions made to continue optimizing the administration of the original Medicare program.
- Since 2006, CMS has moved 65 percent of the claims administration services to Medicare Administrative Contractors and expects to complete the implementation of the remaining contracts by October 2011.
- 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, performance to the contract requirements is an evaluation factor.
- The J11 A/B MAC contract has a total estimated value of approximately \$304.5 million over five years.
- Palmetto GBA will implement the J11 A/B MAC by taking over the work from the FIs and carriers on an incremental basis over the next several months.

### ***About the A/B MAC Jurisdiction 11***

- A/B MAC Jurisdiction 11 is comprised of the Part A/Part B workload in North Carolina, South Carolina, Virginia and West Virginia and also includes the home health and hospice claims administration responsibilities for workload in Alabama, Arkansas,

Florida, Georgia, Illinois, Indiana, Kentucky, Louisiana, Mississippi, New Mexico, North Carolina, Ohio, Oklahoma, South Carolina, Tennessee and Texas.

- The following are the current fiscal intermediaries (FI) and carriers administering the program in J11 and the states they serve:
  - CIGNA Government Services (carrier for North Carolina)
  - National Government Services (FI for Virginia and West Virginia)
  - Palmetto GBA (FI for North Carolina and South Carolina; carrier for South Carolina and West Virginia; RHHI for Alabama, Arkansas, Florida, Georgia, Illinois, Indiana, Kentucky, Louisiana, Mississippi, New Mexico, North Carolina, Ohio Oklahoma, South Carolina, Tennessee and Texas)
  - TrailBlazer Health Enterprises, LLC (carrier for Virginia)
  - Wisconsin Physicians Service Insurance Corporation (FI for some providers in North Carolina, South Carolina, Virginia, and West Virginia)
- The FIs and carriers listed above will continue to carry out their responsibilities until the J11 A/B MAC is implemented.
- Questions should be directed to Cathy Baldwin at 410-786-5131 or [cathy.baldwin2@cms.hhs.gov](mailto:cathy.baldwin2@cms.hhs.gov) in CMS' Office of Acquisition and Grants Management.