

Jurisdiction A DME MAC Implementation National Heritage Insurance Company

July 1, 2006

General Information

- Section 911 of the Medicare Modernization Act of 2003, known as the Medicare Contracting Reform provision, requires that the Centers for Medicare & Medicaid Services compete all currently held contracts for administration of the fee-for-service Medicare program. The new contractors selected through these competitions will be called Medicare Administrative Contractors (MACs).
- On January 6, 2006, CMS announced it had awarded the Durable Medical Equipment (DME) MAC contract for Jurisdiction A to National Heritage Insurance Company (NHIC). NHIC assumed the work of the Durable Medical Equipment Regional Carrier (DMERC) for Region A from HealthNow New York, Inc.
- NHIC assumed full responsibility for the DME work on July 1, 2006.
- The Jurisdiction A DME MAC contract, like all other MAC contracts, may be renewed annually if the contractor meets performance expectations, but the contract must be recompeted at least every five years.

Geographical Area

- The states included in DME MAC Jurisdiction A are: Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont.

Communications with Supplier Community

- As part of the proposal submitted by NHIC and accepted by CMS in awarding the contract, NHIC was required to develop a communications plan for working with partners, stakeholders, and supplier organizations. As part of that plan:
 - NHIC sent an introductory letter to providers and suppliers, held meetings with major DME professional organizations, provided articles to industry newsletters, and provided regular electronic monthly updates through listservs and provider/supplier bulletins.
 - NHIC created a DME MAC transition webpage which they will update regularly.

- NHIC's website features a link to Frequently Asked Questions with regard to the DME MAC transition that can be found at:
<http://www.medicarenhic.com/dme/faqs.shtml>

Enrollment, Claims Submission, and Appeals

- There will be no need for DME suppliers currently enrolled in the Medicare program to re-enroll in the Medicare program or obtain a new supplier number. All supplier enrollment information will transfer from the DMERC to the new DME MAC.
- Suppliers in any state that will be serviced by NHIC effective July 1, 2006 can continue to submit electronic claims as they are currently doing. The claims will be electronically routed to NHIC for processing.
- Second level appeals with filing dates of January 1, 2006 and later are being processed by the Qualified Independent Contractor, Q2A Administrators.
- NHIC's instructions for submission of paper and electronic claims, as well as appeals, can be found at: <http://www.medicarenhic.com/dme/index.shtml>

Benefits to Suppliers of Awarding Contracts to DME MACS

- NHIC will be the focus for all Medicare customer service and provider communication activities to suppliers in its jurisdiction.
- As a DME MAC, NHIC is required to increase its focus on financial management. This means it will be expected to increase the accuracy of its payments to suppliers as well as be consistent in its payment decisions.
- Suppliers will have an opportunity, if selected, to provide input into the performance evaluation of NHIC through completion of the CMS provider/supplier satisfaction surveys.