

**Request for Proposal (RFP) for the
Medicare Part A/Part B Administrative Contractor (A/B MAC)
for Jurisdictions 1, 2, 7 and 13
Background Sheet**

February 2007

- On December 15, 2006, the Centers for Medicare & Medicaid Services (CMS) released the Request for Proposal (RFP) for the four jurisdictions included in round two of Cycle One. This RFP is for the MACs that will serve Medicare beneficiaries and providers in Jurisdictions 1, 2, 7 and 13.
- The states included in Jurisdiction 1 are American Samoa, California, Guam, Hawaii, Nevada, and Northern Mariana Islands.
- The states included in Jurisdiction 2 are Alaska, Idaho, Oregon, and Washington.
- The states included in Jurisdiction 7 are Arkansas, Louisiana, and Mississippi.
- The states included in Jurisdiction 13 are Connecticut and New York.
- These jurisdictions represent approximately 22% of the fee-for-service (FFS) workload.
- Cycle One of the A/B MAC acquisitions will be for 7 jurisdictions, accounting for approximately 45 percent of the Part A/Part B fee-for-service claims workload. CMS is conducting these 7 competitions in two rounds using slightly different Statements of Work (SOWs) due to unique and specific requirements for each jurisdiction.
- This RFP includes the following jurisdiction specific requirements:
 - Low Vision Demonstration for the J2 and J13 and
 - Rural Community Hospitals for the J1 and J2 MACs.
- The second RFP for Cycle One is posted on FedBizOpps, in accordance with Federal Acquisition Regulation Subpart 5.2 - Synopses of Proposed Contract Actions.
- A pre-proposal teleconference was held January 9, 2007 for interested parties.
- CMS' procurement schedule for the MACs anticipates contract award for these jurisdictions in September 2007.

- On July 31, 2006, CMS awarded the J3 A/B MAC and will be conducting 14 other fee-for-service MAC procurements over the next few years, for a total of 15 separate A/B MAC contracts. Each procurement will be for the administration of both the Medicare Part A and Part B (A/B) benefits in a specified geographic jurisdiction of the country. All of the contracts are to be awarded, and all jurisdictional A/B MACs are to be operational, by October 2011.
- CMS is conducting these MAC procurements in accordance with section 911 of the Medicare Modernization Act (MMA) which requires the Secretary to take needed steps between now and 2011 to implement Medicare Contracting Reform. The Medicare Contracting Reform provision mandates the conduct of full and open competitions for the work currently handled by fiscal intermediaries and carriers in administering the Medicare fee-for-service program. The entities that are awarded contracts under these competitions will be known as MACs.
- During the period the second RFP for Cycle One was being developed, CMS released three Requests for Information (RFIs) via FedBizOpps. Industry feedback submitted during the review period was considered and used to assist CMS in refining the procurement documents prior to release of the final RFP.
 - The first RFI, released by CMS on May 4, 2006, solicited industry feedback as to where and how MAC SOW or contract requirements could be developed so that future MACs will be better able to approach achieving 0% claims payment errors. The comment period closed May 15, 2006.
 - The second RFI released on August 9, 2006 released the AB MAC Statement of Work, Deliverables, Government Furnished Property and Contractor Furnished Property for Jurisdictions 1, 2, 7, and 13. The second RFI also released the unique requirements for the second Request for Proposal.
 - The third RFI, released on November 1, 2006 requested feedback on how to streamline the process to prevent the duplication of submission and evaluation of proposal responses as they pertain to multiple jurisdictions. The comment period closed November 8, 2006.
- CMS' vision for Medicare fee-for-service is that of a premier health plan that allows for comprehensive, quality care and world-class beneficiary and provider service. This includes establishing a single point-of-contact for the information needs of Medicare beneficiaries and another for the providers of health care services. In addition to improving its customer service, CMS will make advances to create a modernized administrative information technology platform.

- CMS has decided that it will continue to utilize functional contractors in the future to increase the efficiency of Medicare services for beneficiaries and providers. These functional contractors include the Coordination of Benefits Contractor, Program Safeguard Contractors with Benefit Integrity task orders, Qualified Independent Contractors for Medicare appeals, Administrative Quality Independent Contractor, Quality Improvement Organizations, Medicare Secondary Payer Recovery Contractor, Beneficiary Contact Center and Enterprise Data Centers.
- CMS continues to consider the role that incentives will play in the A/B MAC contracts. Financial incentives offer the agency a valuable tool in the management of the fee-for-service program.
- CMS will not require the entities awarded the J1, J2, J7 and J13 contracts to offer employment to staff of the fiscal intermediaries and carriers it will replace (i.e., “outgoing” contractors).
- All Cycle One procurement information is provided on FedBizOpps at: <http://www.fedbizopps.gov>. Additional information on Medicare Contracting Reform can be found on CMS’ contracting reform website at: <http://www.cms.hhs.gov/medicarecontractingreform/>.
- With the release of this RFP, the acquisition for the J1, J2, J7 and J13 MACs has become “procurement sensitive.” Any inquiries concerning this RFP are to be directed to **Cathy Baldwin, Contracting Officer, 410-786-5791, Cathy.Baldwin@cms.hhs.gov**.