

**Jurisdiction 8 Part A/Part B Medicare Administrative Contractor for  
Indiana and Michigan  
(J8 A/B MAC) Award**

**-- NATIONAL GOVERNMENT SERVICES --**

**Qs and As**

January 2009

**Q: What company has been awarded the contract for the J8 A/B MAC workload?**

A: National Government Services (NGS) has been awarded the contract for the J8 A/B MAC.

**Q: What states are included in A/B MAC J8?**

A: J8 is comprised of Indiana and Michigan.

**Q: What are the major contractual differences of the A/B MACs compared to the current fiscal intermediaries (FIs) and carriers?**

A: The claims administration workload for each A/B MAC is being awarded through full and open competition conducted in accordance with the Federal Acquisition Regulation. Based on structured evaluation criteria, the proposal with the best value for the government will be selected in each procurement. The A/B MAC contracts are for the administration of both Medicare Part A and Part B claims in a specific geographic jurisdiction. They allow for performance incentives to be earned by the MAC.

Under the requirements of the original Medicare legislation, the FI and carrier contracts historically have been competed to a limited number of contractors which may or may not have been the best qualified organizations to do the work. In addition, the carriers have had to be chosen from health insurance companies. The contracts for the FIs and carriers do not allow for performance incentives; rather they pay the contractor the costs incurred in conducting their operations.

**Q: What is the effect of Medicare Contracting Reform on beneficiaries and providers?**

A: Beneficiaries will have a single point-of-contact, connecting them to a seamless operations network for meeting their information needs. A beneficiary's first point of entry for resolution of questions about Medicare coverage will be 1-800-MEDICARE. The A/B MAC will handle only complex inquiries from beneficiaries.

The A/B MAC will serve as the point of contact for providers, physicians and practitioners for all claims-related business. Medicare contracting reform also will benefit providers with improved provider education and training by the A/B MACs.

**Q: What type of contract has been awarded for the J8 A/B MAC workload?**

A: The J8 A/B MAC was awarded under a cost-plus-award-fee contract. The period of performance for the contract is a base period with four 1-year options. The total value of the contract for the five year period is approximately \$262 million.

**Q: Where is the J8 A/B MAC contractor's headquarters? Where will the work actually be performed?**

A: NGS' operations are headquartered in Indianapolis, IN. Some operations will also be performed in Louisville, KY.

**Q: When will the new J8 A/B MAC begin operations?**

A: The implementation activities of the A/B MAC that are needed to move the Part A/Part B workload for Indiana and Michigan will begin immediately. The MAC will complete the transfer of the claims and information from FIs and carriers and be fully operational no later than November 2009.

**Q: What FIs and carriers are currently processing claims in J8?**

A: The following are the current fiscal intermediaries (FIs) and carriers administering the program in J8 and the states that they serve:

- National Government Services (FI for Indiana and Michigan; carrier for Indiana)
- Wisconsin Physicians Service Insurance Corporation (FI for some providers in Indiana and Michigan; carrier for Michigan)

**Q: How will staffing be affected as work moves from the current FIs and carriers to the J8 A/B MAC?**

A: With the award and implementation of the new contract, the MAC for J8 will be performing the claims administration work that had been distributed among two contractors. Fewer staff will be required to perform the full scope of activities because of the consolidation of the contracts.

For more specific questions regarding staffing please contact the Contracting Officer, Juanita Wilson, [Juanita.wilson@cms.hhs.gov](mailto:Juanita.wilson@cms.hhs.gov) or 410-786-5538.

**Q: How many beneficiaries and providers are there in J8? What percent of the national claims workload is accounted for in this Jurisdiction?**

A: As of July 2007, approximately 2,479,017 Medicare Fee-for-Service beneficiaries are located in this jurisdiction. As of December 2007, approximately 337 Medicare hospitals are located in the two states comprising this jurisdiction. Also, as of July 2007, approximately 66,022 physicians and practitioners provided services in this jurisdiction.

With respect to the workload, approximately 6.5% of national Medicare fee-for-service claims are in this jurisdiction as of September 2007.

**Q: Did the winning contractor have any subcontracts? If so, what services will the subcontractor provide?**

A: As the J8 A/B MAC, NGS is subcontracting with the following companies:

- Allison Payment Systems will provide print and mail services; and
- Douglas Healthcare Group and Bland & Associates will perform audit services.