
CMS

CENTERS FOR MEDICARE & MEDICAID SERVICES

MEDICARE ADMINISTRATIVE CONTRACTOR

**WORKLOAD
IMPLEMENTATION
HANDBOOK**

MEDICARE CONTRACTOR MANAGEMENT GROUP

02/12/08

..

TABLE OF CONTENTS

CHAPTER 1: INTRODUCTION	1-1
1.1 MEDICARE ADMINISTRATIVE CONTRACTOR WORKLOAD IMPLEMENTATION HANDBOOK	1-1
1.1.1 <i>Chapters</i>	1-1
1.1.2 <i>Exhibits</i>	1-3
1.2 TRANSITION PHASES	1-3
1.3 SEGMENT IMPLEMENTATIONS	1-3
1.4 TERMINOLOGY	1-4
1.5 GOALS OF A SUCCESSFUL WORKLOAD TRANSITION	1-5
CHAPTER 2: CMS ORGANIZATION	2-1
2.1 CMS CONTRACT ADMINISTRATION PERSONNEL – MAC CONTRACTS	2-1
2.1.1 <i>MAC Contracting Officer</i>	2-1
2.1.2 <i>MAC Project Officer</i>	2-1
2.1.3 <i>MAC Jurisdiction Implementation Lead (JIL)</i>	2-1
2.1.4 <i>MAC Segment Implementation Manager</i>	2-2
2.1.5 <i>Medicare Implementation Support Contractor (MISC)</i>	2-2
2.1.6 <i>Business Function Lead</i>	2-3
2.1.7 <i>Technical Monitor</i>	2-3
2.2 CMS CONTRACT ADMINISTRATION PERSONNEL - CARRIER/INTERMEDIARY CONTRACTS	2-3
2.2.1 <i>Carrier/Intermediary Contracting Officer</i>	2-4
2.2.2 <i>Contractor Manager</i>	2-4
CHAPTER 3: GETTING STARTED	3-1
3.1 CONTRACT AWARD.....	3-1
3.2 INITIAL TRANSITION ACTIVITIES	3-1
3.3 CONTACT WITH OUTGOING CONTRACTOR	3-1
3.4 OUTGOING CONTRACTOR EMPLOYEE NOTIFICATION	3-2
3.5 JURISDICTION KICKOFF	3-3
3.5.1 <i>MAC Pre-Meeting</i>	3-3
3.5.2 <i>Outgoing Contractor Pre-Meeting</i>	3-4
3.5.3 <i>Jurisdiction Kickoff Meeting</i>	3-4
3.5.4 <i>Segment Kickoff Meeting</i>	3-6
3.5.5 <i>Post-Award Orientation Conference</i>	3-8
3.6 TRANSITION WORKGROUPS.....	3-9
3.6.1 <i>General</i>	3-9
3.6.2 <i>Participants</i>	3-9
3.6.3 <i>Scope</i>	3-10
3.6.4 <i>Functions</i>	3-11
3.6.5 <i>Administration</i>	3-11
CHAPTER 4: IMPLEMENTATION MANAGEMENT	4-1
4.1 PURPOSE.....	4-1
4.2 PROJECT MANAGEMENT APPROACH	4-1
4.3 PROJECT PLANS.....	4-1
4.3.1 <i>Jurisdiction Implementation Project Plan (JIPP)</i>	4-1
4.3.2 <i>Segment Implementation Project Plan (SIPP)</i>	4-2
4.3.3 <i>Implementation Project Plan Structure</i>	4-3
4.4 INTERACTION WITH THE OUTGOING CONTRACTOR	4-4
4.5 NOMENCLATURE	4-4
4.6 ON-SITE PRESENCE	4-4

4.7	COMMUNICATION.....	4-4
4.8	IDENTIFICATION NUMBER	4-5
4.9	ACCESS TO OUTGOING CONTRACTOR INFORMATION	4-5
4.10	OPERATIONAL ASSESSMENT OF OUTGOING CONTRACTOR / DUE DILIGENCE	4-6
4.10.1	<i>Initial Activity</i>	4-6
4.10.2	<i>Areas of Focus</i>	4-6
4.10.3	<i>Specific Assessment Activities</i>	4-7
4.11	IMPLEMENTING ASSESSMENT/DUE DILIGENCE FINDINGS	4-10
4.12	DELIVERABLES LIST.....	4-11
CHAPTER 5: OBTAINING RESOURCES AND ESTABLISHING INFRASTRUCTURE.....		5-1
5.1	PERSONNEL	5-1
5.1.1	<i>Recruitment of Outgoing Contractor Staff</i>	5-1
5.1.2	<i>General Recruitment</i>	5-2
5.1.3	<i>Employment Report</i>	5-2
5.1.4	<i>Training</i>	5-2
5.2	SITE ACQUISITION/FACILITIES PREPARATION	5-3
5.3	HARDWARE/SOFTWARE	5-3
5.4	ASSET INVENTORY	5-4
5.5	TELECOMMUNICATIONS – DATA	5-4
5.5.1	<i>Background</i>	5-4
5.5.2	<i>Requirements</i>	5-5
5.5.3	<i>Points of Emphasis</i>	5-6
5.6	TELECOMMUNICATIONS – VOICE	5-6
5.7	DATA CENTER.....	5-6
5.8	ELECTRONIC DATA INTERCHANGE (EDI).....	5-7
5.8.1	<i>General</i>	5-7
5.8.2	<i>EDI Enrollment</i>	5-8
5.8.3	<i>Connectivity</i>	5-8
5.8.4	<i>Front End System Translators</i>	5-8
5.8.5	<i>EDI Assessment</i>	5-9
5.8.6	<i>EDI Communication</i>	5-9
5.8.7	<i>Electronic Funds Transfer</i>	5-10
5.9	ACCESS TO CMS SYSTEMS.....	5-11
CHAPTER 6: TRANSFER OF CARRIER/INTERMEDIARY OPERATIONS.....		6-1
6.1	OVERVIEW	6-1
6.2	CLAIMS PROCESSING.....	6-2
6.2.1	<i>Customer Service</i>	6-2
6.2.2	<i>Medicare Secondary Payer (MSP)</i>	6-3
6.2.3	<i>Medical Review</i>	6-3
6.3	APPEALS.....	6-4
6.4	PROVIDER AUDIT AND REIMBURSEMENT	6-4
6.4.1	<i>Reimbursement</i>	6-4
6.4.2	<i>Audit</i>	6-5
6.5	PROVIDER ENROLLMENT.....	6-6
6.6	PROVIDER EDUCATION/TRAINING.....	6-6
6.7	PRINT/MAIL OPERATIONS	6-7
6.8	FILE INVENTORY	6-8
6.8.1	<i>General</i>	6-8
6.8.2	<i>Mainframe</i>	6-8
6.8.3	<i>LAN/PC-Based Files</i>	6-9
6.8.4	<i>Hardcopy</i>	6-9

6.9	DISPOSITION OF FILES	6-9
CHAPTER 7: INTERACTION WITH OTHER TRANSITION ORGANIZATIONS		7-1
7.1	GENERAL.....	7-1
7.2	ENTERPRISE DATA CENTER.....	7-1
7.3	PROGRAM SAFEGUARD CONTRACTOR (PSC)	7-2
7.3.1	<i>Background</i>	7-2
7.3.2	<i>Implementation Activities</i>	7-2
7.3.3	<i>PSC Contract Meetings</i>	7-2
7.3.4	<i>Joint Operating Agreement</i>	7-3
7.3.5	<i>Communication/Coordination</i>	7-3
7.4	HIGLAS	7-4
7.5	BENEFICIARY CALL CENTER	7-4
7.6	QUALIFIED INDEPENDENT CONTRACTOR (QIC).....	7-5
7.7	ADMINISTRATIVE QUALIFIED INDEPENDENT CONTRACTOR (ADQIC)	7-5
7.8	QUALITY IMPROVEMENT ORGANIZATION (QIO).....	7-6
7.9	COORDINATION OF BENEFITS CONTRACTOR	7-6
7.10	RECOVERY AUDIT CONTRACTOR	7-7
7.11	MEDICARE SECONDARY PAYER RECOVERY CONTRACTOR	7-7
CHAPTER 8: TESTING		8-1
8.1	GENERAL.....	8-1
8.2	TEST PLAN	8-1
8.2.1	<i>Scope/Approach</i>	8-2
8.2.2	<i>Roles and Responsibilities</i>	8-2
8.2.3	<i>Types of Tests</i>	8-2
8.2.4	<i>Resources</i>	8-6
8.2.5	<i>Schedule</i>	8-6
8.2.6	<i>Processes and Documentation</i>	8-6
8.2.7	<i>Risks</i>	8-6
CHAPTER 9: CUTOVER		9-1
9.1	DEFINITIONS.....	9-1
9.2	CUTOVER PLAN.....	9-1
9.3	CUTOVER WORKGROUP	9-2
9.4	DAILY CUTOVER MEETING	9-3
9.5	PROVIDER PROGRESS REPORT	9-3
9.6	SYSTEM DARK DAYS.....	9-3
9.7	RELEASE OF THE PAYMENT FLOOR	9-5
9.8	DATA MIGRATION	9-6
9.8.1	<i>Final Inventory</i>	9-6
9.8.2	<i>File Transfer Plan</i>	9-6
9.8.3	<i>File Format</i>	9-7
9.8.4	<i>Packing</i>	9-7
9.8.5	<i>Transfer of Hardcopy Files and Physical Assets</i>	9-7
9.9	SEQUENCE OF SYSTEM CUTOVER ACTIVITIES	9-8
9.9.1	<i>System Closeout</i>	9-8
9.9.2	<i>Back Up</i>	9-8
9.9.3	<i>Transfer and Installation</i>	9-8
9.9.4	<i>Data Conversion</i>	9-8
9.9.5	<i>Initial System Checkout</i>	9-8
9.9.6	<i>Functional Validation of System</i>	9-9
9.9.7	<i>First MAC Production Cycle</i>	9-9

9.10	REPORTING.....	9-9
9.11	CUTOVER COMMUNICATION	9-9
CHAPTER 10: POST-CUTOVER.....		10-1
10.1	GENERAL.....	10-1
10.2	FIRST DAY OF SEGMENT OPERATIONS	10-1
10.3	POST-CUTOVER MONITORING.....	10-1
10.4	WORKLOAD REPORTING	10-2
10.5	ASSISTANCE WITH OUTGOING CONTRACTOR CLOSEOUT ACTIVITIES	10-3
10.6	ACCESS TO FILES AND RECORDS AFTER CUTOVER.....	10-3
10.7	LESSONS LEARNED.....	10-3
10.8	POST-PROJECT REVIEW	10-4
10.9	IMPLEMENTATION PROJECT CLOSEOUT.....	10-4
CHAPTER 11: CMS MONITORING REQUIREMENTS.....		11-1
11.1	MEETINGS	11-1
11.1.1	<i>Post-Award Orientation Conference.....</i>	<i>11-1</i>
11.1.2	<i>MAC Pre-Meeting</i>	<i>11-1</i>
11.1.3	<i>Jurisdiction Kickoff Meeting.....</i>	<i>11-2</i>
11.1.4	<i>Segment Kickoff Meeting.....</i>	<i>11-2</i>
11.1.5	<i>Jurisdiction Project Status Meeting.....</i>	<i>11-2</i>
11.1.6	<i>Segment Project Status Meeting.....</i>	<i>11-2</i>
11.1.7	<i>Transition Workgroup Meeting.....</i>	<i>11-3</i>
11.1.8	<i>Cutover Meeting.....</i>	<i>11-3</i>
11.1.9	<i>Post-Project Review Meeting (Lessons Learned).....</i>	<i>11-3</i>
11.2	DOCUMENTATION	11-3
11.2.1	<i>Jurisdiction Implementation Project Plan.....</i>	<i>11-4</i>
11.2.2	<i>Jurisdiction Implementation Project Plan Update.....</i>	<i>11-4</i>
11.2.3	<i>Jurisdiction Implementation Project Status Report.....</i>	<i>11-4</i>
11.2.4	<i>Segment Implementation Project Plan.....</i>	<i>11-6</i>
11.2.5	<i>Segment Implementation Project Plan Update</i>	<i>11-6</i>
11.2.6	<i>Segment Project Status Report.....</i>	<i>11-6</i>
11.2.7	<i>Workgroup Meeting Minutes.....</i>	<i>11-7</i>
11.2.8	<i>Segment and Jurisdiction Issues Log/Action Items</i>	<i>11-7</i>
11.2.9	<i>Segment Test Plan</i>	<i>11-7</i>
11.2.10	<i>Segment Test Plan Update</i>	<i>11-7</i>
11.2.11	<i>Segment Cutover Plan.....</i>	<i>11-8</i>
11.2.12	<i>Segment Production Workload Reports</i>	<i>11-8</i>
11.2.13	<i>Segment Communication Plan</i>	<i>11-8</i>
11.2.14	<i>Segment Communication Plan Update.....</i>	<i>11-8</i>
11.2.15	<i>Risk Management Plan.....</i>	<i>11-9</i>
11.2.16	<i>Risk Management Plan Update.....</i>	<i>11-9</i>
11.2.17	<i>Lessons Learned.....</i>	<i>11-9</i>
CHAPTER 12: COMMUNICATIONS		12-1
12.1	GENERAL.....	12-1
12.2	COMMUNICATION PLAN	12-1
12.3	PUBLIC ANNOUNCEMENT	12-2
12.4	CONGRESSIONAL CONTACT.....	12-2
STATE AND LOCAL CONTACT		12-3
12.5	PROVIDER COMMUNICATION.....	12-3
12.5.1	<i>Professional Organization Contact.....</i>	<i>12-3</i>
12.5.2	<i>Provider Contact</i>	<i>12-4</i>

12.5.3	<i>Provider Workshops/Seminars</i>	12-4
12.6	BENEFICIARY COMMUNICATION	12-5
12.7	SOCIAL SECURITY ADMINISTRATION	12-6
12.8	TRANSITION PARTNERS.....	12-6
12.9	INTERNAL COMMUNICATIONS	12-6
12.10	WEBSITE	12-6
12.11	ARU/IVR.....	12-7
12.12	CUTOVER	12-7
CHAPTER 13:	FINANCIAL PROCESSES	13-1
13.1	GENERAL.....	13-1
13.2	BANKING.....	13-1
13.3	FINANCIAL COORDINATION.....	13-1
13.4	ACCOUNTS RECEIVABLE RECONCILIATION	13-2
13.4.1	<i>General</i>	13-2
13.4.2	<i>Accounts Receivable Reconciliation</i>	13-2
13.4.3	<i>Financial Reporting</i>	13-3
13.5	VOUCHER SUBMISSION AND PROTOCOL.....	13-3
13.6	IMPLEMENTATION COSTS	13-4
13.7	IRS FORM 1099 RESPONSIBILITIES.....	13-4
CHAPTER 14:	RISK MANAGEMENT	14-1
14.1	GENERAL.....	14-1
14.2	RISK MANAGEMENT PROCESSES	14-1
14.2.1	<i>Risk Identification</i>	14-1
14.2.2	<i>Risk Analysis</i>	14-1
14.2.3	<i>Risk Response</i>	14-2
14.2.4	<i>Risk Management Plan</i>	14-2
14.2.5	<i>Risk Monitoring</i>	14-3
LIST OF EXHIBITS	1
INDEX	

Chapter 1: INTRODUCTION

1.1 Medicare Administrative Contractor Workload Implementation Handbook

This handbook was prepared by CMS to assist the Medicare Administrative Contractor (MAC) in moving data, records, and operational activities from current Medicare carriers and intermediaries in order to perform its Medicare contractual obligations. It represents a compilation of best practices, lessons learned, and over 25 years of CMS experience in overseeing Medicare workload transitions. The handbook describes the basic responsibilities and processes required for a MAC to assume Medicare claims administration functions. While both the MAC and the departing carriers and intermediaries are responsible for accomplishing various activities during the transition, this handbook is intended for use by the incoming MAC. A similar Carrier/Intermediary Workload Closeout Handbook has been developed for outgoing Medicare carriers and intermediaries.

Every Medicare workload transition will vary depending on the unique circumstances and environment of the Medicare contractors involved. There may be activities and processes described in the handbook that will not be applicable to a specific implementation. There may also be activities that will need to be performed that the handbook does not cover. The handbook cannot identify and address all of the variations that may occur during a workload transition, nor all of the tasks for which the MAC will be responsible. However, it will provide the framework for a workload implementation and guidance in addressing situations as they arise.

1.1.1 Chapters

The handbook is comprised of 14 chapters and 9 exhibits as follows:

1. **Chapter 1: Introduction** provides an introduction to the Handbook and the goals for a successful workload transition.
2. **Chapter 2: CMS Organization** provides information on the duties and responsibilities of CMS's transition oversight staff.
3. **Chapter 3: Getting Started** describes the activities that are necessary to start the implementation process. It discusses establishment of the implementation team, kickoff meetings, and the organization and function of transition workgroups. The chapter also addresses initial notification activities.
4. **Chapter 4: Implementation Management** discusses the approach that a MAC may take for the implementation project. It includes the assessment of the outgoing

contractor's Medicare operation and a discussion on information and deliverables required from the carrier/intermediary.

5. **Chapter 5: Obtaining Resources and Establishing Infrastructure** provides helpful information about personnel and facilities preparation. The chapter also covers hardware/software and telecommunication requirements, data center information, and electronic data interchange (EDI).
6. **Chapter 6: Transfer of Carrier/Intermediary Operations** describes the activities associated with moving the actual workload and Medicare functions of the carrier or intermediary. This includes analyzing the various functional areas, file transfer activities, asset inventory, and miscellaneous operational considerations.
7. **Chapter 7: Interaction with Other Transition Organizations** discusses the major organizations with which the MAC will work during the implementation and the basic responsibilities of each.
8. **Chapter 8: Testing** discusses the establishment of a test plan. It also describes the various tests that the MAC can perform in order to ensure that it will be able to process claims and perform its Medicare functions.
9. **Chapter 9: Cutover** covers the actual migration of records, files, and data (both physically and electronically) to the MAC, as well as any resources and infrastructure. The chapter also provides information on cutover plans, system dark days, and the reduction of the payment floor.
10. **Chapter 10: Post-Cutover** describes the activities that occur after cutover, including workload reporting and lessons learned.
11. **Chapter 11: CMS Monitoring Requirements** provides information on the various meetings that are necessary during a transition. It also describes the reporting requirements so that CMS may monitor the MAC's implementation progress.
12. **Chapter 12: Communications** discusses the approach and tasks associated with providing information about the transition to all direct and indirect stakeholders in the transition. This includes providers, beneficiaries, trading partners, medical and specialty groups, government officials, advocacy groups, and other interested parties.
13. **Chapter 13: Financial Processes** provides information on the financial activities required to move the Medicare workload. It discusses cash management and banking tasks, the accounts receivable reconciliation, and 1099 issues. There is also a section that provides information on vouchering protocols.
14. **Chapter 14: Risk Management** discusses risk management processes including risk assessment, risk mitigation, and contingency plans.

1.1.2 Exhibits

Exhibit 1 Transition Phases and Terminology

Exhibit 2 MAC Contract Administrative Structure

Exhibit 3 Major Tasks and Activities Associated with a Workload Transition

Exhibit 4 Outgoing Contractor Information/Documentation

Exhibit 5 Files to be Transferred to a Medicare Administrative Contractor

Exhibit 6 Sample Workload Report

Exhibit 7 MAC Workload Implementation Meeting and Documentation Guide

Exhibit 8 Glossary

Exhibit 9 Abbreviations

1.2 Transition Phases

A Medicare workload transition involves three major participants: the incoming contractor (MAC), the outgoing contractor (carrier or intermediary) and CMS. Each transition has three major phases. For a MAC, the three major phases of a Medicare workload transition are identified as: pre-award, implementation, and post-cutover.

The **pre-award phase** is comprised of the activities associated with preparing and submitting a MAC proposal. The **implementation phase** covers the activities associated with establishing a MAC operation and the transfer of data, records, and functions from the various carriers and intermediaries within its jurisdiction. It begins with the award of a MAC contract and ends with the last cutover from an outgoing contractor or segment. The **post-cutover phase** begins with the segment operational start date and continues for a period of time, usually three months. During this time CMS closely monitors MAC operations to determine if the segment implementation was successful and to ensure that all implementation issues have been resolved.

This handbook provides information that will assist the MAC in all three phases of the transition. However, its primary focus is on the **implementation and post-cutover** phases of the incoming contractor. **Exhibit 1** provides a graphic representation of terminology for the major transition participants.

1.3 Segment Implementations

The establishment of a fully operational MAC jurisdiction will involve segment implementations, the number of which will depend on the number of Medicare carriers

and intermediaries that are serving the states within the jurisdiction. Each segment implementation involves the movement of Medicare data, files, and functions from an existing Medicare carrier or intermediary to the MAC. Workload implementation periods have ranged from 3-8 months, depending on the size of the outgoing contractor and numerous other factors. Most implementations, however, are 5-6 months in length. The length of the segment implementations and the sequence of individual segment implementations must be developed using the requirements and assumptions provided in the MAC Request for Proposals (RFP) and incorporated into the MAC's Jurisdiction Implementation Project Plan, which will be approved by CMS.

The MAC will begin to perform Medicare functions as soon as the first segment cutover has occurred. This will be the Segment Operational Start Date. As each segment cutover in the MAC jurisdiction occurs, there will be another Segment Operational Start Date and the MAC's Medicare administrative responsibilities will expand over a wider area of its jurisdiction until it is fully operational in all states within its jurisdiction. This will be the Jurisdiction Operational Start Date, which is defined as the date when Medicare functions are no longer performed by any carrier or intermediary whose workload the MAC contractually assumed.

1.4 Terminology

For purposes of this handbook, the Medicare Administrative Contractor who will be assuming the Medicare functions of the outgoing carrier or intermediary is referred to as the "**incoming contractor**." Both "MAC" and "incoming contractor" are used interchangeably.

The term "**outgoing contractor**" refers to a carrier or fiscal intermediary (or simply intermediary) that is performing Medicare claims processing functions under a Part A agreement, Part A Plan subcontract agreement with the Blue Cross and Blue Shield Association (BCBSA), or a Part B contract. These contractors are also known as "**legacy contractors**." The terms "outgoing contractor", "carrier/ intermediary", and "legacy contractor" are used interchangeably throughout this handbook. Legacy contractors may also be referred to as "Title XVIII contractors," but this term should be avoided because the MAC contracts are also entered into under Title XVIII of the Social Security Act.

A "**transition**" is defined as the period of time that encompasses the movement of Medicare operations from a carrier/intermediary to a MAC. The term "**implementation**" is used for those activities performed by the incoming MAC during a transition. The term "**closeout**" is used for those activities performed by the outgoing carrier/intermediary. However, in general usage, the term "transition" is often used to refer to MAC "implementation" and carrier/intermediary "closeout" activities.

The term "**provider**" is used in the broad sense of the word, meaning anyone providing a Medicare service; i.e., institutional provider, physician, non-physician practitioner, or supplier.

Any reference to days in this handbook refers to **business days** unless otherwise noted.

1.5 Goals of a Successful Workload Transition

All of the organizations involved in a workload transition have a responsibility to ensure that the transition is conducted properly and that their contractual obligations are met. While each component has different roles and responsibilities during a transition, the goals remain the same:

- There is minimal disruption to beneficiaries;
- There is minimal disruption to providers, physicians and suppliers;
- There is no disruption of claims processing and Medicare operations;
- The transition is completed on schedule within the required time period;
- Actual costs represent effective and efficient use of resources; and,
- All parties with an interest in the transition (whether direct or indirect) are kept informed of the transition's status and progress.

In order to accomplish these goals, there must be proper project planning and management by the Medicare Administrative Contractor, maintenance of existing Medicare operations by the outgoing carrier or intermediary, and comprehensive oversight by CMS. All parties involved in the transition must cooperate fully and communicate constantly with all other parties at every level. This handbook will assist the MAC in achieving the abovementioned transition goals and help it meet its contractual obligations during the operational period.

Chapter 2: CMS ORGANIZATION

CMS will have a number of individuals responsible for overseeing the implementation activities of the MAC and the closeout activities of the carrier/intermediary. Listed below are the CMS individuals who will monitor MAC implementation activities, along with a description of their responsibilities. Also discussed are the CMS individuals who will be responsible for the closeout activities of the outgoing carrier/intermediary's Title XVIII contract.

2.1 CMS Contract Administration Personnel – MAC Contracts

The following individuals will be responsible for monitoring the implementation and/or operational activities of the Medicare Administrative Contractor. They will also interact with the carrier/intermediary in various meetings and workgroups. Except for the Segment Implementation Manager, CMS MAC contract administration personnel will not normally be involved with carrier/intermediary closeout activities during the transition. A CMS administrative organizational chart for the MAC contracts is shown in **Exhibit 2**.

2.1.1 MAC Contracting Officer

The MAC Contracting Officer (CO) has the overall responsibility for the incoming Medicare Administrative Contractor and is the only person authorized to enter into and bind the government by contract. He/she is the individual that negotiates and prepares the MAC contract document, modifies any terms or conditions of the contract, accepts delivered services, and approves vouchers for payment. While a single person could serve as both the carrier/intermediary CO and the MAC Contracting Officer, in the present CMS organizational structure they are two different people.

2.1.2 MAC Project Officer

The MAC Project Officer (PO) serves as the first point of contact for the MACs. He/she is the focal point for the exchange of information and the receipt of programmatic approvals on deliverables and other work under the MAC contract. The PO is the technical representative of the MAC Contracting Officer and provides technical direction to the MAC, as necessary, for all of the business functions contained in the MAC statement of work. He/she also monitors the performance of the MAC under the contract and reviews payment vouchers. The PO may designate various Business Function Leaders (BFLs) and technical monitors (TMs) to support the administration of the MAC contract.

2.1.3 MAC Jurisdiction Implementation Lead (JIL)

The MAC Jurisdiction Implementation Lead, or simply Implementation Lead, (previously known as the MAC Jurisdiction Transition Coordinator) will be the PO's

representative for the overall MAC jurisdiction implementation and will serve in a specialized technical capacity to the Project Officer. The Implementation Lead will manage CMS's oversight of the jurisdiction transition and coordinate MAC implementation activities with the carrier/intermediary Contractor Managers and the functional contractor Project Officers. He/she will also resolve issues involving the various segment transitions within the jurisdiction.

The Jurisdiction Implementation Lead, as a representative of the Project Officer, will provide technical guidance and direction to the MAC and to Segment Implementation Managers (SIMs), if any are designated for the jurisdiction. If there will not be any SIMs for the jurisdiction implementation, the JIL will work with the Medicare Implementation Support Contractor (MISC) to oversee the segment implementations within the jurisdiction.

The Implementation Lead will work with business function leads (BFLs) concerning implementation issues. He/she will also coordinate implementation activities with the Project Officers of the functional contractors involved in the MAC implementation. The JIL will also conduct problem solving/trouble shooting on a jurisdiction level and be responsible for reporting to senior management. In addition, the Implementation Lead will review vouchers for jurisdiction implementation activities and provide recommendations to the Project Officer and the MISC Government Task Leader (if applicable).

2.1.4 MAC Segment Implementation Manager

There may be Segment Implementation Managers assigned to a jurisdiction implementation. If there are, the SIMs will be responsible for monitoring, trouble-shooting, problem solving, and reporting on the individual segment implementations that occur within the jurisdiction. The SIMs will work with the Jurisdiction Implementation Lead, as well as the outgoing carrier/intermediary's Contractor Manager, to manage and coordinate all of the segment transition activities of the MAC. He/she will also provide input on technical issues, schedules, and payment vouchers. Due to limited CMS resources, it is likely that there will be few, if any, Segment Implementation Managers.

2.1.5 Medicare Implementation Support Contractor (MISC)

Because of the number of implementations and the limited staff available for oversight, CMS has entered into a contract with Chickasaw Nation Industries (CNI) for a Medicare Implementation Support Contractor (MISC). The MISC will provide the project management support and the oversight services needed by CMS to monitor the implementation activities of the MACs and functional contractors. The contractor will be providing these oversight activities for each segment within its assigned jurisdiction and will serve in a capacity similar to that of a Segment Implementation Manager.

There will be a MISC business analyst (BA) assigned to each jurisdiction. The business analyst's primary responsibility will be the segment implementations. The Medicare

Implementation Support Contractor will have direct access and interaction with the MAC and outgoing contractor staff involved with the implementation. The BA will be a member of transition workgroups and attend all meetings associated with those workgroups. He/she will also attend general jurisdiction status meetings and teleconferences. The BA will work closely with the Jurisdiction Implementation Lead and will be the point person for segment implementation activities.

The MISC will share comments, concerns and recommendations directly with the MAC when appropriate. However, **the MISC does not have authority to provide technical direction to the MAC.** The MISC Government Task Leader (GTL) will be primarily responsible for managing the MISC contract. The GTL represents the Project Officer for the technical aspects of the MISC contract and may provide technical direction under the auspices of the PO. The GTL will interact with the Jurisdiction Implementation Leads throughout the implementation to obtain information on the MISC's performance and resolve any issues that may occur.

2.1.6 Business Function Lead

Business Function Leads (BFLs) may be called upon to assist the Project Officer in the administration of the MAC contracts. They are normally located in CMS Central Office. Business Function Leads will assist the Project Officer on an as needed basis and will act as a technical representative for their specific business function. BFLs may monitor technical progress and perform technical evaluations and inspections. They may also assist the PO with specific functional inquires and technical issues. In addition, they will review monthly invoices and vouchers pertaining to their area and make payment recommendations to the PO. However, **BFLs do not have the authority to provide technical direction or make any contractual commitments or changes on CMS's behalf.**

2.1.7 Technical Monitor

Technical Monitors are Regional Office personnel who may provide information on contractor performance and help the Project Officer resolve issues, particularly those from beneficiaries and providers. The TM may assist the BFL in performing technical evaluations and inspections and may also provide input to monthly and quarterly contract administration meetings. In addition, Technical Monitors may perform on-site validations of accounts receivables and debts.

2.2 CMS Contract Administration Personnel - Carrier/Intermediary Contracts

The following are the key CMS individuals (along with the abovementioned Jurisdiction Implementation Lead and Segment Implementation Manager) that the carrier/intermediary will have contact with for the activities related to the transfer of its Medicare operations, files, and data to the incoming Medicare Administrative Contractor.

2.2.1 Carrier/Intermediary Contracting Officer

The carrier/intermediary Contracting Officer has the administrative responsibility for the outgoing contractor's Title XVIII Medicare contract. The carrier/intermediary Contracting Officer has overall responsibility for the carrier/intermediary's closeout activities and negotiating termination and transition costs.

2.2.2 Contractor Manager

The Contractor Manager is the CMS individual responsible for monitoring the day-to-day operational activities of the outgoing contractor. He/she will be responsible for ensuring that the carrier/intermediary continues to maintain its overall operation and performance during the closeout period. The Contractor Manager will work closely with the Jurisdiction Implementation Lead or Segment Implementation Manager to ensure that the carrier/intermediary cooperates with the MAC during the transition and that all Medicare files, records, and data are successfully transferred to the incoming Medicare Administrative Contractor.

Chapter 3: GETTING STARTED

3.1 Contract Award

The MAC Contracting Officer will place a call to inform the MAC of contract award. This will start the implementation phase of the transition. Unsuccessful offerors will also be notified and CMS will issue a press release. The MAC may also want to issue its own press release.

3.2 Initial Transition Activities

The MAC's implementation team will be composed of a Project Manager and staff who are responsible for the major implementation tasks shown in the Jurisdiction and Segment Implementation Project Plans. A team member will usually be assigned to be the lead for each major implementation task or workgroup and will report directly to the Project Manager.

An internal meeting with all key MAC implementation members (project manager, business analysts, potential workgroup leaders, subject matter experts) should be held after contract award to plan and prepare for the upcoming project and to handle administrative details. The project organization and workgroup structure may need to be revised and/or expanded. A final organization chart and contact list should be developed in preparation for the kickoff meeting. There may also be additional transition tasks or CMS-directed schedule date changes that are identified, and the MAC should begin to baseline the implementation project plan. Tools to assist the team in managing the project can be identified and discussed. Team training in project management, financial tracking (data, cost analysis), and word processing (reports, general project communication) may be helpful. Internal procedures for meetings and communications should be agreed upon.

The outgoing carriers/intermediaries will also form a closeout team composed of a Project Manager and staff responsible for contract closeout activities. Information regarding the outgoing contractors' closeout team will be provided at the kickoff meeting. The outgoing contractors' closeout team shall work directly with the MAC for the orderly transfer of all Medicare functions.

3.3 Contact with Outgoing Contractor

After CMS has publicly announced the contract award and implementation schedule, contact may be made with the outgoing contractors in the jurisdiction. The contact is usually made by upper management, and will serve as an introduction to the MAC. Areas of discussion may include the outgoing contractor's plans for its Medicare employees, any proposed retention of staff by the incoming MAC, communication,

commitment of the organizations, any schedule date changes that may have occurred after the RFP was issued, and any immediate problems or issues that need to be addressed before the kickoff meeting. The MAC may also make introductory calls to the major professional organizations (medical societies, hospital associations, specialty groups, etc.) in each of the segments within the jurisdiction, with follow-up calls as each segment implementation begins. Congressional contacts may also prove to be beneficial.

In the days immediately following the award announcement, the MAC must understand that it may difficult to have extensive contact with certain outgoing contractors because they may still be trying to deal with the loss of the jurisdiction contract. Those contractors may be assessing their options, addressing employee concerns, or preparing to protest the award, and there may be very little information initially provided. It is also possible that the outgoing contractor is only losing a portion of its workload and may be competing against the incoming MAC for future jurisdictions.

The incoming MAC must take these possibilities into account regarding the timing of its initial contact and what it will be communicating. If the outgoing contractor has already indicated that it is leaving the Medicare program, general communication should not be an issue.

3.4 Outgoing Contractor Employee Notification

After award announcement, the carriers and intermediaries who were not awarded the contract will begin to plan for their contract closeout. If the MAC has an interest in hiring any of the outgoing contractor's Medicare employees, it should inquire about the carrier/intermediary's plans for those employees. If the outgoing contractor will not be retaining its Medicare staff, the MAC should inform the carrier/intermediary that it may be interested in making employment offers to some or all of the carrier/intermediary's employees. Plans should be coordinated with the carrier/intermediary to notify the employees affected and a face-to-face meeting should be scheduled as soon as possible. Commitment of the outgoing contractor's employees is critical. Obviously, knowledge that jobs will be retained will greatly facilitate the transition process and alleviate fears regarding employees' futures.

If the MAC will be hiring a significant number of outgoing contractor staff, a human resources representative from the MAC may be able to be located at the carrier/intermediary's site to address employee concerns and provide detailed information on employment and benefits. An analysis of the outgoing contractor's employee benefits should be done as soon as possible and an explanation of the differences between the two organizations' benefits should be available to outgoing contractor staff. Meetings should be scheduled with staff to be hired to discuss differences in benefits and provide information on what will occur at cutover. The MAC may also be able to contribute transition-related articles to the outgoing contractor's employee newsletter.

3.5 Jurisdiction Kickoff

Jurisdiction kickoff is composed of 3-5 separate meetings conducted over a several day period. Jurisdiction kickoff is intended for all parties involved in any of the segment transitions that will occur within the jurisdiction, but not all parties will attend every meeting. There will be a minimum of three meetings held at kickoff: the **MAC pre-meeting**, the **outgoing contractor pre-meeting**, and the general **jurisdiction kickoff meeting**. Kickoff may also include a **segment kickoff meeting** if a segment implementation is scheduled to begin at contract award. In addition, the **post-award orientation conference** conducted by the Contracting Officer could be held as part of the kickoff if it has not already been held.

Jurisdiction kickoff is generally held 10-15 days after contract award. The meetings will be held in the Baltimore, Maryland metropolitan area. The MAC will be responsible for providing facilities for all of the jurisdiction kickoff meetings that will take place, providing toll-free phone lines for off-site participants, developing an agenda (with input from other participants), and notifying potential attendees. In the unlikely event that the kickoff will be held at a CMS facility, then CMS would be responsible for making facility and teleconferencing arrangements. Meeting minutes and an attendance sheet/contact list shall be prepared by the MAC and sent to all those in attendance.

Normally, each of the kickoff meetings can be completed in a half day (3-4 hours of concentrated meeting time). The exception would be the post-award orientation conference, which generally takes 1-2 hours. In-person attendance at each of the meetings will vary, depending on a number of factors. However, the general jurisdiction kickoff meeting will draw the largest number of attendees (generally 40-50). The MAC should have a meeting room with tables that will accommodate the jurisdiction meeting and several smaller rooms would be beneficial should there be the need for any smaller conferences or workgroup breakout sessions. The Jurisdiction Implementation Lead will work with the MAC in preparation for the kickoff activities.

3.5.1 MAC Pre-Meeting

3.5.1.1 Purpose

The MAC pre-meeting is a meeting conducted by CMS and the Medicare Implementation Support Contractor (MISC) with the incoming Medicare Administrative Contractor. It deals with information that pertains exclusively or primarily to the incoming contractor and will be held before the jurisdiction kickoff meeting. The meeting will discuss issues that have arisen since contract award, review CMS's expectations and administrative requirements for the project, and make final preparations for the conduct of the jurisdiction kickoff meeting.

3.5.1.2 Topics of Discussion

Topics for discussion will include:

- Introduction of the CMS implementation team & contract administration structure
- CMS project monitoring: reporting requirements, meetings, and contract deliverables
- Introduction of the Medicare Implementation Support Contractor and discussion of its role in the project
- Revision of Jurisdiction/ Implementation Project Plan (if award delayed) and review of segment implementation schedule/cutover dates
- Agreement on the key assumptions made in the MAC's proposal
- Workgroup discussions: number of workgroups, meeting times, toll-free numbers
- Deliverables lists for outgoing contractors
- New jurisdiction workload numbers
- Due diligence/on-site visits
- Workload splits (if applicable)
- Lessons learned from previous MAC implementations
- Discussion of MAC's agenda and presentation for the jurisdiction kickoff meeting
- Areas of immediate focus: communications/provider relations, new EFT form CMS-588, Change Requests since proposal submission, and SOW changes

Although the MAC will have proposed an implementation schedule based on the information provided in the Request for Proposal (RFP), it is possible that CMS may direct the MAC to revise its overall jurisdiction plan based on schedule changes or other considerations. Should this be necessary, CMS will negotiate with the MAC to reach agreement on a revised schedule and any additional costs associated with the changes. The contract will be modified accordingly.

3.5.2 Outgoing Contractor Pre-Meeting

This meeting is conducted by CMS with the outgoing contractors. Since these contractors will be present for the jurisdiction kickoff meeting, it provides an opportunity for CMS to discuss issues of importance solely related to contractors who are leaving the program or losing a portion of their workload. The meeting may be scheduled before or after the MAC pre-meeting, but preferably not at the same time, due to limited CMS resources. Topics will include closeout financial issues, reporting, staffing and workload issues, accounts receivable review, and file storage/transfer.

3.5.3 Jurisdiction Kickoff Meeting

While other kickoff meetings will have limited audiences, the jurisdiction kickoff meeting is intended for all parties involved in any of the segment transitions that will occur. This meeting is sometimes referred to as the general kickoff meeting.

3.5.3.1 Purpose

The purpose of the jurisdiction kickoff meeting is to understand, organize, and coordinate activities among all parties involved in the transition. It provides the opportunity for all parties to meet face-to-face to discuss the approach to the MAC jurisdiction transition, go over the schedule, review roles and responsibilities, and address any concerns about the upcoming segment transitions. While there may be some detailed technical discussion, the meeting is not intended to be at the level that would require all of the functional and technical leads that the MAC may be utilizing in its implementation effort; those individuals would be expected to attend the segment kickoff meeting. Attendance would normally include the MAC's operational and implementation project directors and a limited number of implementation project team members, such as the IT lead.

3.5.3.2 Participants

All parties directly involved in the jurisdiction transition should be invited to attend: CMS, the MISC, appropriate MAC personnel, the outgoing carriers and intermediaries, the Blue Cross and Blue Shield Association (for fiscal intermediaries with Plan agreements), applicable data centers, any front end contractor, any organization(s) that will be moving Medicare workload to the MAC during the transition or will process some portion of the outgoing contractors' workload, shared system maintainers, and functional contractors such as the Program Safeguard Contractor (PSC), Qualified Independent Contractor (QIC), and the Beneficiary Call Center (BCC). Attendance may be in person or via teleconference. CMS will work with the MAC to develop the list of individuals/organizations that should be invited to the meeting.

3.5.3.3 Topics of Discussion

The jurisdiction kickoff meeting will give a high level overview of the transition project. The MAC will be requested to make a corporate introduction and describe its Medicare organization and operation. The MAC should also discuss its implementation team/organization, its implementation approach, and provide an overview of its Jurisdiction Implementation Project Plan (see **Chapter 4.3.1**). Much of the information presented will normally be drawn from the MAC's proposal or any oral presentations supporting the proposal. Other entities involved in the project will also be asked to provide an overview of their transition activities and interactions with the MAC. In addition, CMS will discuss its implementation expectations, review reporting and meeting requirements, and present its transition team organization.

The MAC's due diligence review will be discussed, along with deliverables that are being requested from the outgoing contractors. Proprietary issues regarding the MAC's interaction with the outgoing contractors will also be discussed. Any Deliverables List, action item list, or problem/issue log that is developed as a result of the kickoff meeting should be distributed as soon as possible after the meeting. The Deliverables List will serve as documentation for all the information the outgoing contractors need to provide to

the MAC (see **Chapter 4.12**). The coordination of communication activities will also be discussed.

Transition workgroups will be a key topic of discussion at the meeting (see **Chapter 3.6**). The MAC will be expected to work with the outgoing contractors and other attendees to establish jurisdiction-wide transition workgroups and agree on their basic responsibilities. These jurisdiction-wide workgroups and their functions should be in place for the entire jurisdiction implementation. All outgoing contractors involved in the transition will have to structure their closeout activities utilizing the workgroups. Therefore, it is critical that agreement be reached with all of the outgoing contractors as to what workgroups will be established and the major responsibilities for each.

After the jurisdiction kickoff meeting is completed, the MAC should review the project schedule and the Jurisdiction Implementation Project Plan (JIPP), as well as the upcoming Segment Implementation Project Plans, risk management plans, and communication plans to make any appropriate revisions based on the discussions that took place during the meeting.

3.5.4 Segment Kickoff Meeting

The segment kickoff meeting may or may not be a part of the Jurisdiction kickoff. If it is, it will represent the formal start of the process of moving Medicare data, records, and operations from an outgoing carrier or intermediary to the MAC. It will be similar to the Jurisdiction Kickoff Meeting in concept, but will be focused on the detailed technical and functional activities required for a specific segment transition.

3.5.4.1 Purpose

The segment kickoff meeting allows all parties involved in a segment transition to meet face-to-face to review the project expectations, discuss roles and responsibilities, and to organize and coordinate activities. The meeting will also help ensure that there is agreement among all participants regarding the tasks involved, project assumptions, and schedule. In addition, any emerging issues and/or changes that have occurred since contract award will be discussed, as will any lessons learned from prior segment transitions within the jurisdiction or other jurisdictions. Organizations that cannot attend in person may do so by teleconference.

3.5.4.2 Preparation

The MAC will be responsible for setting up the kickoff meeting for each segment implementation within its jurisdiction and shall consult with CMS regarding the time and location of such meetings. The meetings will generally be held at the proposed operational site or the corporate headquarters of the MAC.

The first segment kickoff meeting(s) normally will be held as part of jurisdiction kickoff, but there may be circumstances that dictate that the meeting(s) be held at a later time.

The kickoff meetings for segments that will begin after the first round of segment kickoff meetings should take place within 10 days of the scheduled start date of that segment implementation. For segment kickoff meetings not occurring during jurisdiction kickoff, the MAC should meet with the CMS transition team prior to the meeting to discuss the agenda, materials to be handed out, and presentations that will be made.

All MACs will have to conduct multiple segment implementations in order to become fully operational. It is possible that there will be more than one segment implementation starting in the same month. If this occurs, the MAC will need to coordinate the scheduling of the kickoff meetings with CMS and the outgoing contractors of the segments. Normally, each segment implementation will require its own kickoff meeting; however, it is possible that the integration of segments in the project plan would allow for one kickoff meeting to cover multiple segment implementations.

The MAC will be responsible for setting up the facilities for the segment kickoff meeting, providing toll-free phone lines for off-site participants, developing an agenda (with CMS input), and notifying attendees. Meeting minutes and an attendance/contact list shall be prepared by the MAC and sent to all those in attendance.

3.5.4.3 Participants

All parties directly involved in the segment transition should be invited to attend: CMS (including the MISC), appropriate technical and operational MAC personnel, the outgoing segment contractor, any organization other than the MAC that will be responsible for processing a portion of the outgoing contractor's Medicare workload, representatives from the applicable data center(s), shared system maintainers, the Blue Cross and Blue Shield Association (for fiscal intermediaries with Plan agreements), any front end contractor, IT services companies, and functional contractors (e.g., PSC, QIC, BCC). Attendance may be in person or via teleconference. All of the key members of the MAC's segment implementation team should be in attendance as well as most, if not all, of the anticipated workgroup heads.

Since detailed information and operational procedures may be discussed, attendance at the segment kickoff meetings should include more technical and functional experts than necessarily would be in attendance at the jurisdiction kickoff meeting. The MAC must have representatives present with the authority to establish project commitments and approvals on behalf of the organization.

3.5.4.4 Topics of Discussion

The MAC will be requested to make a corporate introduction, describe its Medicare organization, and discuss its implementation team and structure. This presentation would be similar to the one made at the Jurisdiction Kickoff Meeting, but geared to the specific segment implementation. The Segment Implementation Project Plan (SIPP) should be distributed (see **Chapter 4.3.2**) and an overview of the plan and the MAC's implementation approach provided. Input from attendees will be used by the MAC to

prepare the “baseline” SIPP that will be submitted to CMS within 30 days of the meeting. The outgoing contractor will make a presentation regarding its organization, closeout plan, and project team. The carrier/intermediary will also discuss any unique workloads or situations where there are processing regions and files contain commingled data for states in multiple jurisdictions. Other involved parties will provide an overview of their activities and participation in the transition. CMS will discuss its transition organization and team and review reporting requirements (see **Chapter 11**). The meeting should also cover areas of the transition that need immediate attention, such as human resources, connectivity, and industry/provider communications.

The jurisdiction kickoff meeting will have already established the individual transition workgroups and the scope of their functions. During the segment kickoff meeting, there should be breakout sessions of the various workgroups with as many members as possible. If there are not enough workgroup members available, a date and time should be agreed upon for the group to initially meet and organize.

The breakout session will provide the opportunity for workgroup members to begin brainstorming, discuss transition strategy, and address any immediate issues. The group should also review implementation documents such as the JIPP and SIPP, deliverables that have been requested, dependencies, and any action items already identified in order to better define and develop the direction of the workgroup. Members should also discuss methods for accomplishing their workgroup tasks. The group should try to reach agreement on administrative details such as each organization’s designated points of contact and workgroup meeting/teleconference dates and times, if possible.

Any deliverable, action item, or issues log that is developed or added to an existing document as a result of the segment meeting should be distributed as soon as possible. After each segment kickoff meeting is completed, the MAC should review the project schedule, the implementation project plans, the risk management plan, and communication plans to make any necessary revisions based on the meeting discussions.

3.5.5 Post-Award Orientation Conference

A post-award orientation conference between the MAC and Contracting Officer is normally held 10-15 days after notification of contract award. The CO will determine the time and location of the meeting, prepare the agenda, and notify the participants. The purpose of the conference is to achieve a clear and mutual understanding of all contractual provisions and requirements. The CO must ensure that the MAC understands the roles of Government personnel who will be involved in administering the MAC contract and the quality assurance procedures that will be applied. Participants may discuss special contract provisions, identify and resolve any potential problems, and review the implementation schedule. Procedures for vouchering and the processing of change orders will be reviewed.

The conference may be held during the jurisdiction kickoff. If it is, it would normally be a part of the MAC pre-meeting, but could be held separately. The conference is usually not more than 1-2 hours in length.

3.6 Transition Workgroups

Transition workgroups are the basic organizational structure for conducting the day-to-day activities of the transition. They have proven to be the key to a successful workload transition.

3.6.1 General

Transition workgroups are established to facilitate the process of transferring the outgoing contractor's Medicare workload to the MAC. The scope of a particular workgroup may vary from one workload transition to another for a variety of reasons, including the MAC's business structure, the jurisdiction project plan/approach, and outgoing contractor considerations. However, agreement must be reached with all of the outgoing contractors and the MAC regarding what workgroups will be established jurisdiction-wide and what their specific responsibilities will be. Workgroups are generally established for infrastructure activities (facilities, hardware, human resources, telecommunications, etc.), functional program areas (MSP, audit and reimbursement, medical review, etc.), and overall project administration tasks (project management, financial, etc.).

Since there could be a number of segment implementations occurring simultaneously, the MAC may find that it is necessary to have separate segment workgroups established within the overall jurisdiction-wide workgroup. Functional areas such as MSP, MR, or communications may have individual workgroups established for each segment implementation within the jurisdiction. If there are separate segment workgroups, the overall workgroup head must coordinate the activities of each to ensure consistency and schedule compliance.

3.6.2 Participants

Experienced staff from the MAC, the outgoing contractor, and other involved organizations should be assigned to the various workgroups. Of course, members will only be assigned if the organization has some involvement with the workgroup's function. CMS or the MISC will normally be represented on every workgroup. The MAC should try to keep the same workgroup members for the duration of the segment implementations, especially the workgroup heads.

The MAC will be responsible for appointing the workgroup head. Duties of the workgroup head include: 1) organizing, directing and coordinating all workgroup activities; 2) maintaining the applicable portions of the implementation project plan and associated action items; 3) analyzing and comparing workflow processes and

documentation; 4) developing and responding to deliverables/action items; and 5) reporting and documentation.

The overall responsibilities of the various workgroups will remain the same throughout the transition. Participation in the workgroups amongst the outgoing contractor and other entities may vary; however, the workgroup should continue under MAC direction until all segments have been implemented and the MAC is fully operational.

Generally, there are three ways that an outgoing contractor (or other entity) may interact with the various workgroups: 1) it may be a part of a jurisdiction-wide workgroup, joining when its segment transition begins and leaving when its transition is completed; 2) it may participate in a specific segment workgroup under the aegis of the overall jurisdiction-wide workgroup; or 3) it may not participate at all in certain workgroups. For example, if no hardware or software is being transferred to the MAC, the outgoing contractor would not need to participate in that workgroup.

3.6.3 *Scope*

The scope or area of responsibility for the individual workgroups will vary depending on a number of factors such as the MAC's organization or business structure, size of the outgoing contractor, business processes, and workflow structure. The actual number of workgroups varies from transition to transition, but it has been found that 8-10 workgroups generally work best. Workgroups have been established for the areas shown below, but occasionally, more specialized workgroups have been established. Contractors have also combined workgroups based on convenience or practicality. Many contractors have found it advantageous to establish subgroups within a workgroup to focus on specific areas or issues.

- Project Management
- Communications
- Systems/IT
- Telecommunications
- Beneficiary/Provider Relations
- Audit and Reimbursement
- EMC/EDI
- Medical Review
- MSP
- Operations/Claims Processing
- Provider Enrollment
- Hardware/Software
- Facilities
- Human Resources
- Financial
- Print/Reports
- Cutover

An established workgroup may not necessarily correspond directly to a major task in the MAC's Jurisdiction or Segment Implementation Project Plan. For example, a financial workgroup may be established and function throughout the transition, but financial activities and tasks may be listed under the Project Management task in the Jurisdiction or Segment Implementation Project Plan.

3.6.4 Functions

Each workgroup will identify the steps and action items necessary to successfully transfer the Medicare records, data, and operations that relate to the specific workgroup. They will be responsible for monitoring and updating the tasks listed in the Jurisdiction or Segment Implementation Project Plans that are applicable to their workgroup. Throughout the transition period, the workgroup will report their progress to the MAC project manager, resolve policy and transition issues regarding their areas of expertise, and ensure that all specific activities and deliverables have been accomplished.

Each workgroup is charged with defining the basic functions of the workgroup and establishing a work plan to address its objectives, work responsibilities, ground rules, and reporting requirements. The workgroup should maintain an issues/action item list and a deliverables log throughout the transition to insure that all items relating to the workgroup are resolved. The workgroup must have a clear understanding of the information that it must provide to other entities, as well as information and deliverables that it has requested from others. It is important that requests are precise so that time will not be lost due to misunderstanding exactly what is being asked for. The workgroups should reach an understanding of the types of issues for which they have the authority to resolve and obtain approval from the project managers of those organizations represented in the workgroup.

While some workgroup activity may start at the Jurisdiction Kickoff Meeting, most initial activity will begin at the segment kickoff meeting. If there are not enough participants available at that meeting, the MAC must schedule an organizational meeting for the workgroup at a later date.

Initial activities for the workgroups will include brainstorming, discussion of transition strategy, taking action on any immediate issues, identifying workgroup members, and reaching agreement on meeting dates and times. The workgroup should also discuss how they will accomplish their workgroup tasks. The group will review transition materials and meeting documentation, the Jurisdiction and Segment Implementation Project Plans, any deliverables that have been requested, dependencies, action items, etc. to better define and develop the direction of its workgroup. All of these activities will be coordinated through the MAC implementation project manager

3.6.5 Administration

Workgroups should generally meet on a weekly basis, either in person or via teleconference. It will be the responsibility of the MAC to provide toll-free

teleconference capability for all participants in workgroup meetings, as well as any ad hoc teleconferences or meetings. A comprehensive workgroup meeting schedule must be developed for each segment transition. The schedule should provide a listing of all the workgroups that have been established, the workgroup leads, members, meeting days and times (normally scheduled for one hour), and the call-in numbers with corresponding pass codes. Membership of the workgroups should be finalized within a week after the segment kickoff meeting.

A workgroup agenda should normally be distributed a day before the workgroup meeting. The agenda can be in a fixed format that can be used as a minutes document after conclusion of the meeting. Workgroup meeting notes or minutes should be distributed within two business days after a meeting to allow sufficient time for required decisions to be made before the next meeting. The development and distribution of the agenda and meeting minutes/notes are the responsibility of the MAC. The notes should be reviewed at the next meeting so that all parties understand the impact of any decisions.

It is absolutely essential that there be communication between the various workgroups to ensure that each group knows what issues have been identified and the progress being made towards resolution. In some instances, the same issue will arise in several workgroups. Therefore, workgroup meeting notes need to be exchanged among the different groups, particularly for those that are handling similar or related issues. A project management workgroup could serve as a clearinghouse or forum for sharing information among the workgroups.

Chapter 4: IMPLEMENTATION MANAGEMENT

4.1 Purpose

This chapter will provide general information and guidance regarding the management of the workload implementation process. It emphasizes a number of items that the MAC should consider and will provide the framework for completing the activities detailed in succeeding chapters so that the outgoing contractor's workload may be moved successfully into the MAC operational environment.

4.2 Project Management Approach

The MAC's implementation project management approach should be reflected in the Jurisdiction and Segment Implementation Plans and the various other plans used in the implementation. While there are numerous approaches to project management, the workgroup concept as discussed in **Chapter 3** should be utilized by the MAC. CMS does not mandate any particular method or software to be used in managing implementations. It does require, however, that project plans, reports, and materials are readable using Microsoft Project, Excel, Word, or Adobe.

The MAC may also wish to establish quality assurance (QA) support to internally monitor and review activities throughout the life of the implementation project. QA will help the MAC project manager oversee the quality effort and ensure that tasks are complete and accomplished in accordance with project requirements.

4.3 Project Plans

An accurate and complete project plan is critical to the success of a transition. The MAC will be responsible for developing and maintaining an overall Jurisdiction Implementation Project Plan and associated Segment Implementation Project Plans. Both documents are CMS contract deliverables.

4.3.1 *Jurisdiction Implementation Project Plan (JIPP)*

The Jurisdiction Implementation Plan (JIPP) must detail the steps and timeframes for accomplishing all of the work defined in the SOW, as it pertains to the transfer of Medicare workloads to the MAC. The JIPP will provide an overall administrative plan and a description of all major tasks and subtasks required to transfer Medicare data, records, and operations from each carrier and intermediary segment within the jurisdiction. It may also show tasks for assuming Medicare workload from other Medicare contractors outside of the MAC's jurisdiction (e.g., out-of-jurisdiction providers being transferred during the implementation) or for other associated implementation activities such as data center migration.

The JIPP is submitted as part of the MAC's proposal and developed using the information/dates provided in the Request for Proposals (RFP). The MAC project manager and staff must thoroughly review the plan after notification of contract award and after the initial outgoing contractor operational assessment (see **Chapter 4.10** below). Activities that the MAC or CMS may have identified subsequent to the submission of the JIPP must be incorporated. Tasks may need to be modified or deleted if they are no longer applicable. Timeframes must be revised to correlate to the contract award date or any transition schedule changes.

The MAC must discuss its JIPP revisions with CMS and create a "baseline" document. The baseline JIPP must be provided to CMS within 30 days of contract award. This will be the "master plan" for the project and will be used by the MAC and CMS to monitor the overall progress of the jurisdiction implementation. As each Segment Implementation Project Plan is developed, the appropriate sections of the JIPP will have to be updated to incorporate any changes in tasks and/or dates. CMS approval is required for the baseline JIPP and SIPP.

CMS understands that the JIPP and SIPP are dynamic documents that will change throughout the life of the project; however, it is imperative that changes to the plans are communicated promptly to CMS.

4.3.2 Segment Implementation Project Plan (SIPP)

For each segment implementation occurring within its jurisdiction, the MAC must develop a Segment Implementation Project Plan (SIPP). The SIPP will be, in effect, an expanded and more detailed description of the implementation activities shown in the Jurisdiction Implementation Project Plan that are specific to an individual segment. As a separate document, it will be used to monitor segment implementation activities.

The extent of a segment's individual tasks and the detail required for a segment implementation will be dependent on a number of factors, including the MAC's project management approach, the extent of integration of the jurisdiction implementation, commingled workloads to be split, availability of existing staff or facilities, the size of the outgoing contractor, and if the outgoing contractor is remaining in the Medicare program. However, the SIPP should provide a more detailed level of segment activity than the overall JIPP and should be the most effective way to manage the implementation of a particular segment.

A great deal of outgoing contractor information is necessary for the complete development of the MAC's SIPP. However, much of this information will not be obtained until after contract award. A draft SIPP should be available at each segment kickoff meeting. The SIPP will continue to be refined as the result of the meeting and subsequent discussions with the outgoing contractor and other organizations involved in the transition. The MAC must ensure that the SIPP is coordinated with the outgoing contractor's closeout plan. A final "baseline" SIPP should be submitted to CMS for review no later than 30 days after each segment kickoff meeting.

Since some segment implementations may be scheduled to begin immediately after contract award, it may be helpful for the MAC to develop a “skeleton” SIPP during the pre-award period so that it can quickly prepare drafts to be available at the kickoff meetings for the first round of segment implementations.

4.3.3 Implementation Project Plan Structure

Exhibit 3, Major Tasks and Activities Associated with a Workload Transition, shows a breakout of the major areas of activity that are usually required for a workload implementation. The list is not all-inclusive, and tasks/activities could be added or deleted depending on the circumstances of each jurisdiction or segment. The Jurisdiction and Segment Project Plans should show a Work Breakdown Structure (WBS) to the level commensurate with the scope of the project. As an example, the JIPP could show the various segment implementation projects as Level 1, along with overarching jurisdiction tasks such as project management, facilities, and financial. The major implementation tasks of each segment would be shown as Level 2, and subtasks as Level 3. The SIPP, however, would show the major segment implementation tasks as Level 1, subtasks as Level 2, and would normally be developed to Level 3 or 4 (or beyond), depending on the major task category and the amount of detail the MAC (or CMS) finds necessary in order to properly track and cost the activity.

Major implementation tasks could be shown in the JIPP, SIPP, or both, depending on the MAC’s proposed operations. For example, if the incoming MAC will consolidate all segment operations into one facility, the tasks necessary for site acquisition and facility preparation would be shown in the JIPP and not in the SIPP. However, if the MAC will maintain multiple facilities within its jurisdiction, then it may be more appropriate for facilities tasks to be listed in the appropriate SIPP.

The JIPP and SIPP should contain, at a minimum, the following data:

- Identification Number
- Task Name
- Task Dependencies
- Planned Start Date
- Planned Finish Date
- Actual Start Date
- Actual Finish Date
- Percent Completed
- Milestones
- Responsible Party
- Comments

The JIPP and SIPP must be updated on a biweekly basis with an accompanying list of tasks completed and tasks that are not on schedule (see **Chapter 11.2.2 and 11.2.5**).

4.4 Interaction with the Outgoing Contractor

It is important to stress communication and cooperation with the outgoing carrier or intermediary. It is an integral part of any transition. Without the outgoing contractor's cooperation and support, the transition will be in jeopardy, regardless of how much time, effort and resources the MAC commits to its implementation efforts. It must be remembered that the transition will be very stressful for the outgoing contractor's organization and employees. The carrier/intermediary could have competed for the MAC jurisdiction and lost, and will be ending its segment Medicare operations not by choice. It may be exiting the Medicare program altogether. The carrier/intermediary might be competing on future Request for Proposals (RFPs) and the incoming MAC may be viewed as a competitor. Staff could be losing their jobs. The collegial atmosphere among Medicare contractors that was present for many years may have vanished. Many factors can come into play in the relationship between the MAC and the outgoing contractor; the MAC must be cognizant of those factors in its approach to managing the implementation.

4.5 Nomenclature

As each segment implementation gets underway, the MAC and the outgoing contractor should discuss the terminology and nomenclature used in the outgoing contractor's operation. All terms, acronyms, and files need to be well defined and clearly understood by the parties involved in the project. This will help prevent project delays, duplication of effort, and unanticipated workload being transferred at cutover.

4.6 On-Site Presence

Depending on the circumstances of the transition, on-site presence of the MAC at the carrier/intermediary's site(s) may be beneficial, especially for the MAC's due diligence activities (see **Chapter 4.10**). Any request for on-site presence will need to be discussed with the outgoing contractor to determine if it is desirable or feasible. The MAC will need to determine how much of an on-site presence it believes is warranted at the outgoing contractor's site(s) and the timing of such presence. Generally there will be less resistance to the MAC's on-site presence if there is a "turnkey" situation or if the outgoing contractor is leaving the Medicare program.

The MAC must understand that it is possible that the carrier/intermediary will limit access to its operation. On-site access is the sole prerogative of the outgoing contractor and is not controlled by CMS.

4.7 Communication

A transition is a complex undertaking involving many different organizations. It is a temporary partnership and all parties need to be working toward the common goal of a successful transition. It is critical that the MAC work closely with its partners and communicate at all levels. For its part, the MAC should ensure that there is a free flow of

information among all parties. The meeting and reporting requirements detailed in **Chapter 11** provide a framework for that effort.

In some transitions the parties have found it helpful to have regular informal teleconferences with just the project heads of all the major organizations involved (e.g., MAC, outgoing contractor, EDC, CMS, etc.) to keep the lines of communication open, discuss overall progress, and ease the resolution of any issues or conflicts.

If the MAC believes there is a lack of cooperation and/or communication with any entity involved in the transition, it must contact the Jurisdiction Implementation Lead or Project Officer to resolve its concerns.

4.8 Identification Number

The MAC will be assigned specific jurisdiction identification numbers that will be used for CMS reporting and data exchange information. Each state within the MAC's jurisdiction will have an individual number or business segment identifier (BSI) that will allow Part A and Part B workload to be reported separately by state. The process for obtaining the new number will begin as soon as the MAC contract has been awarded. CMS will be responsible for providing the MAC with the identification numbers. The numbers will be formally distributed to all necessary parties through the CMS change management process.

4.9 Access to Outgoing Contractor Information

It is incumbent upon the MAC to ensure that any request for information and/or documents from the outgoing contractor is proper and necessary for the conduct of its implementation. Given all of the activity that will be required for contract closeout, the outgoing contractor will not have the time or resources to respond to requests for information or documents that are not appropriate to the circumstances of the transition nor essential to successful completion of the transition.

The amount of information/documentation that an outgoing contractor will provide is dependent upon a number of factors. If the carrier/intermediary is leaving the Medicare program, it may be willing to provide practically all information and documentation related to its Medicare operation, even proprietary information that is administrative, management, or cost-related in nature. If the carrier/intermediary will be in a partnering/subcontracting arrangement, business information regarding personnel, work processes, and facilities may be provided, but other administrative or cost information may not be released. If the carrier/intermediary submitted an unsuccessful proposal for the Jurisdiction and/or will be submitting proposals for future MAC jurisdictions, it may not release any information that it considers proprietary or confidential. Also, the outgoing contractor may not release information if it contemplates legal action regarding the Jurisdiction award.

Exhibit 4, Outgoing Contractor Information/Documentation, provides a list of some of the information and documents that incoming contractors will normally request from outgoing contractors. The exhibit shows information/ documentation that is considered non-proprietary and should be released to the incoming contractor if requested. It also shows documents that may contain proprietary or business information. Generally, CMS will not require the outgoing contractor to release those documents, but under certain circumstances, it may require that a properly redacted version be released.

If the MAC believes that the outgoing contractor is withholding non-proprietary information that is necessary for the successful completion of the implementation, or is not cooperating with its operational assessment/due diligence, it should contact the CMS Jurisdiction Implementation Lead or Project Officer.

4.10 Operational Assessment of Outgoing Contractor / Due Diligence

It is important that the MAC gather as much information as possible regarding an outgoing contractor's current processes, activities, unique arrangements, assets, documentation, and overall business operations. This will facilitate the absorption of the workload into the MAC's operational environment, help ensure a smooth transition, and lessen any impact to beneficiary and providers. This activity is known by a number of different terms: operational assessment, operational analysis, due diligence, and gap analysis. All functional areas (audit and reimbursement, medical review, claims processing, provider education, Medicare Secondary Payment, financial, appeals, customer service, etc.) and all business operations and procedures need to be analyzed.

4.10.1 Initial Activity

It is important to begin an initial assessment as soon as possible after contract award so that the information obtained may be used by the transition workgroups. Changes to the MAC's implementation approach or project plan may also be made based on assessment activities. The MAC should contact the outgoing contractor to discuss the purpose of a site visit, the type of information that the MAC hopes to obtain, and which operational areas it would like to review. Agreement will need to be reached on such items as dates, times, frequency of visits, number of staff, and availability of on-site working space for the visiting MAC. Some incoming contractors use a special team for the initial assessment, while others will use the workgroup heads and perform the assessment as part of the initial activity of the applicable workgroup. After the initial assessment has been completed, the various workgroups will continue to examine the outgoing contractor's operations throughout the implementation period.

4.10.2 Areas of Focus

The assessment and documentation of the outgoing contractor's operation may include internal policies and procedures, business processes, work flow in each functional area, files, and staff analysis. This information will help in refining the MAC's resource

requirements. Standard operating procedures should be reviewed, along with quality assurance processes and standards. Procedural differences and/or local variations of the claims process will need to be noted. Any non-compliance discovered should be brought to the attention of CMS. Workload data and inventory statistics by functional area should be obtained. The outgoing contractor's productivity rates and production capacity may also be analyzed. The MAC should assess workload in progress and obtain specifics on the amount of Medicare files and records in storage, both on-site and at remote locations.

The MAC may want to obtain Contractor Performance Evaluation (CPE) or Report of Contractor Performance (RCP) documents for the outgoing contractor, as well as any audit findings. Any internal process improvement or CMS performance improvement plan (PIP) pertaining to the outgoing could also be reviewed to obtain information on performance or quality problems. If there is a problem obtaining any of these documents, the MAC should contact the CMS Jurisdiction Implementation Lead or Project Officer. The MAC should also determine if there are any special CMS projects, initiatives, or activities that involve the outgoing contractor and the specific time frames for completion.

4.10.3 Specific Assessment Activities

The following are some of the areas or activities that are normally analyzed as part of the MAC's overall assessment/due diligence:

4.10.3.1 Local Coverage Determinations

The outgoing contractor will provide the MAC with any Local Coverage Determinations (LCDs), formerly known as Local Medical Review Policies (LMRPs). The MAC is required to consolidate the existing LCDs of the outgoing carriers/intermediaries within its jurisdiction so that they are the same throughout the jurisdiction. The consolidation must be completed prior to the cutover of the first segment within the jurisdiction. Therefore, the MAC should begin to analyze all LCDs as soon as possible to determine their applicability jurisdiction-wide. In consolidating the LCDs, the incoming contractor must select the least restrictive LCD from the existing LCDs on a single topic. It must also consolidate the active edits in the system related to the consolidated LCDs

The MAC must provide a minimum comment period of 45 days on any proposed revision that restricts an existing LCD and it must ensure that the effective date for the LCD change (i.e., cutover) allows for a minimum notice period of 30 days. This allows time for educating affected providers through bulletins and/or meetings/training seminars.

4.10.3.2 Edits

Edits verify and validate claim data and are necessary to detect errors or potential errors. Various edits are in place for every type of claim and for every step in the claims flow and adjudication process. Every Medicare carrier and intermediary must maintain certain edits in its claims processing system. However, carriers/intermediaries have had discretion with other

edits in the system (known as local edits) and may choose to suppress or modify them. This means that action taken on a claim may vary among the outgoing contractors. It is possible that the same claim may be denied by one carrier/intermediary, suspended by another, or returned to the submitter by a third carrier/intermediary.

CMS requires that the MAC consolidate the existing FISS shared system edits (reason codes, local business rules, etc.) of the outgoing fiscal intermediaries so that they will be the same for the entire jurisdiction. The consolidated edits for the jurisdiction will be implemented as each fiscal intermediary segment workload is cut over. Consolidation of the MCS shared system edits is not required, but a MAC may propose to do so during the implementation period as part of its proposal.

The MAC must analyze exiting edits and determine the final consolidated edits based on its proposed criteria. The criteria should include operational efficiency, minimization of disruption to the provider community, and other pertinent factors. The single set of edits will include a single defined action for each code. All final edits must be tested prior to their implementation.

Any changes to an outgoing contractor's edits must be analyzed to determine if there will be any impact to the provider community. The MAC must discuss and coordinate any edit consolidation with CMS. **The MAC must clearly communicate any edit/processing changes to providers and submitters early and often in bulletins, special newsletters, and/or training seminars/workshops.**

4.10.3.3 Outgoing Contractor Workload and Inventory

As soon as the MAC award is made, CMS will begin monitoring each outgoing contractor's performance on a weekly basis. Data obtained will include:

- receipts,
- claims processed,
- claims pending,
- claims pending over 30/60/90 days,
- claims processing timeliness,
- correspondence,
- hearings,
- cost reports,
- appeals,
- telephone service, and
- compliance reviews.

CMS will provide this workload information to the MAC along with any outgoing contractor operational issues that arise. If necessary, the MAC will take appropriate action to modify its implementation activities or risk mitigation/contingency plans.

4.10.3.4 Staffing Levels

CMS will also monitor staffing levels of the outgoing contractor by the functional areas of its Medicare operation. The outgoing contractor will provide a weekly breakout of staffing showing staff losses by area, transfers within the Medicare operation or to other areas of the company, new hires (temporary or permanent), and staff in training. The MAC will be provided with a copy of the staff report. Based on workload and staffing reports, it is possible that CMS and the MAC may decide to move a particular function to the MAC sooner than expected. The project schedule and costs would be modified accordingly.

4.10.3.5 Internal Controls

Internal controls (also known as management controls) are addressed in many federal statutes and executive documents. For example, the Federal Managers' Financial Integrity Act (FMFIA) establishes specific requirements with regard to internal controls. FMFIA encompasses program, operational, and administrative areas as well as accounting and financial management. CMS (and by extension its MAC contractors) must establish controls that reasonably ensure that: 1) obligations and costs comply with applicable law; 2) assets are safeguarded against waste, loss, unauthorized use or misappropriation; and 3) revenues (e.g., overpayments) and expenditures are properly recorded and accounted for. In addition, the agencies and contractors must annually evaluate and report on the control and financial systems that protect the integrity of Federal programs.

The MAC should review the indicators of the outgoing contractor's internal controls, especially if the MAC intends to hire the outgoing contractor's management and staff or use them in a subcontracting/partnering arrangement. At a minimum, the MAC should review recent Chief Financial Officer (CFO) and Statement on Auditing Standards No. 70 (SAS 70) audit reports. The MAC may also request the outgoing contractor's own reports on internal controls—such as the Certification Package for Internal Controls (CPIC).

4.10.3.6 Contractor Performance Evaluation

It is possible that there will be a Performance Improvement Plan (PIP) in place for deficiencies found at the outgoing contractor's operation as a result of a Contractor Performance Evaluation (CPE) review. The disposition of a PIP will depend on the relationship that the MAC will have with the outgoing contractor or its staff after cutover. CMS must also be aware of any performance issues or corrective action plans that the MAC may have in place at its own operation when it a segment implementation begins. This is to ensure that any items addressed in those corrective action plans are applied to the incoming workload as well.

CMS will provide the MAC with information regarding the outgoing contractor's PIP if the MAC will have a contractual relationship with the outgoing contractor (e.g.,

subcontractor, partnering arrangement, etc.) or if it will be utilizing the outgoing contractor's staff and/or facilities. After reviewing the current status of the PIP with the MAC, CMS will determine if it can be closed because of the MAC's processes or procedures, either in place or proposed. If it cannot be closed, the MAC will be responsible for completing any outstanding parts of the plan once it becomes operational, or develop an alternative PIP with the approval of CMS. There may also be a situation where a deficiency was found in an outgoing contractor's operation but no PIP was submitted. In such cases, the Jurisdiction Implementation Lead will review the nature of the deficiency with the outgoing contractor and the MAC and determine if the deficiency can be eliminated prior to cutover or if it will be necessary for the MAC to develop a post-cutover PIP.

If there will be no relationship with the outgoing contractor or if staff will not be retained, there should be no need for the MAC to become involved with the outgoing contractor's PIP, other than knowledge of its existence and if it may affect its own operation.

4.10.3.7 Outgoing Contractor Performance Waiver

An outgoing contractor may identify administrative or workload activities that it believes it can no longer perform (or makes sense to perform) due to the demands of the transition and its contract closeout. If a carrier/intermediary finds itself in such a situation, it may submit a request for a waiver from CMS. CMS will inform the MAC of the nature of any waiver request that it receives from the outgoing contractor, and if approval is granted, will meet with the MAC to discuss what effect it may have, if any, on the MAC during the transition.

4.11 Implementing Assessment/Due Diligence Findings

Based on its analysis of the outgoing contractor's operations and documentation, the MAC will determine if any changes should be made to its implementation approach, operational design, or project plan. The MAC may want to modify operational workflows, implement process improvements, review resource requirements, rearrange implementation tasks, and/or revise time estimates/dates of implementation activities. The operational assessment may also help the various workgroups in developing their issues log/action items list. The MAC may find the need to revise its risk mitigation and communication plans based on information from the outgoing contractor. Provider education and training may also need to be modified based on the assessment results. The MAC should update CMS on assessment activities and discuss any results and actions undertaken.

The MAC may determine that it is beneficial to move certain functions earlier than originally planned. For example, if there is a serious staff loss among auditors at the outgoing contractor, the MAC may propose to take the work prior to the planned cutover date. Any significant changes to the MAC's project plan must be discussed with CMS.

The MAC's operational assessment and information gathering will continue throughout the transition period as part of the work effort of the various transition workgroups. However, the MAC should make a concerted effort to complete an initial assessment within the first month of the start of the segment implementation so that any changes can be negotiated with CMS and incorporated into the "baseline" SIPP, which should be submitted to CMS within 30 days of the kickoff meeting.

4.12 Deliverables List

The MAC may begin developing an initial Deliverables List in the pre-award period and discuss the contents at the jurisdiction or segment kickoff meeting. The list will be a formal record of information, documents, etc. that the MAC is requesting from the outgoing contractor or other parties involved in the transition. At the minimum, it should contain a description of what is being requested, the date of the request, the requester's name, to whom the request is being made, the due date, and the actual receipt date. Each deliverable request should be numbered for tracking purposes.

Any request for information and/or documents that is developed into a Deliverables List must be carefully reviewed to ensure that the items are appropriate and necessary. The MAC must consider the effort that the carrier/intermediary will need to expend in order to produce the information or respond to its request. Outgoing carrier/intermediary staff may not be available to gather information and the process may take longer than the MAC anticipates. The MAC will need to prioritize items on any Deliverables List as to their importance and when they will be needed in the implementation process. The MAC must also be able to provide rationale for the items should there be an issue with the request.

As the MAC conducts its operational assessment/due diligence and workgroup activities, it should use the Deliverables List to request and control the receipt of information and/or documents. The workgroups will also develop Deliverables Lists for the outgoing contractor and other involved parties. The workgroup head must ensure that everyone understands exactly what is being requested, that the information is applicable to the purpose of the request, and that the timeframe for delivery is reasonable. The request should be noted on the Deliverables List and forwarded to the appropriate party. If certain information or documents are needed to assist the initial operational assessment/due diligence, there should be some type of indicator for a quick turnaround.

In the past, many implementation project managers have found it helpful to consolidate the individual workgroup Deliverables Lists into a master list. The master list will then serve as a complete record of what has been requested and the project manager will be able to track the requests to receipt. The Deliverables List should be updated at least on a biweekly basis and a copy provided to CMS.

It should be noted that the participants involved in a transition will use the term "deliverable" in two different ways:

- The incoming MAC and outgoing carrier/intermediary will use the term to mean information and documents that are being requested from the outgoing contractor or other parties involved in the transition. These requests are normally part of the MAC's due diligence process.
- CMS and the MAC will use the term to mean a "contract deliverable." A contract deliverable is any information, data, report, document, item, service, etc. that the MAC is specifically required to provide to CMS. Deliverables are found in the statement of work (Section C) or Section F of the MAC contract schedule and are normally submitted to the Contracting Officer and/or Project Officer. Contract deliverables during an implementation normally include the Jurisdiction Implementation Project Plan, the Segment Implementation Project Plan, the segment communication plan, testing plan, and risk management plan.

Chapter 5: **OBTAINING RESOURCES AND ESTABLISHING INFRASTRUCTURE**

5.1 Personnel

Human resources are critical to the success of any transition. The actions necessary to obtain resources for a MAC operation may vary for a variety of reasons, including proposed location(s), subcontracting/partnering arrangements, and the outgoing contractors' plans for its employees.

5.1.1 Recruitment of Outgoing Contractor Staff

If the MAC would like to hire any staff from the outgoing contractor, it should communicate that fact to the outgoing contractor's management immediately after contract award. If the outgoing contractor is agreeable to the MAC's employment proposal, it would be beneficial for the MAC to hold a meeting with affected employees as soon as possible to show the corporate commitment, allay employee fears, and provide them with information regarding the implementation. Rumors can run rampant during a transition, especially after announcement of the new MAC. They can also affect efforts to retain personnel--the longer uncertainty exists, the more attractive alternate employment becomes.

The MAC must work with the outgoing contractor to establish communication protocols with the employees that it is proposing to hire. Information such as when staff may be contacted, the process for obtaining approval and release of employee information, and whether or not MAC job postings can be placed in the outgoing contractor's site should be obtained. The outgoing contractor will need to provide the MAC with specific employee information such as: names and addresses of employees, dates of service, job titles, job grades, job descriptions, current salaries, review dates, and documentation of the current employee benefits.

If the MAC will be hiring a large number of the outgoing contractor's staff, it may be helpful to have a MAC human resources representative on-site to answer questions and provide detailed information on benefits and employment. A comparison of outgoing contractor's employee benefits versus the MAC's benefits should be made as soon as possible after award. Meetings should be scheduled with the outgoing contractor's staff to discuss differences in benefits, provide information on what employees may expect when the MAC hires them, and how the actual employment cutover will be handled. It may also be helpful for the MAC to contribute transition-related articles to the outgoing contractor's employee newsletter.

The outgoing contractor employees who will be hired by the MAC should receive an offer of employment with a required acceptance/rejection date. This will give the MAC an idea of the number of positions that will need to be filled. Recruitment plans can then be adjusted accordingly. The MAC should work with the outgoing contractor to come up with a compatible plan or calendar for when employees will actually transfer to the MAC's employment. The plan must ensure that there is no degradation of service at the outgoing contractor's site due to the hiring schedule.

It is expected that the MAC will not try to hire any of the outgoing contractor's staff to perform work for the MAC prior to cutover unless it has been agreed to by the outgoing contractor and CMS.

5.1.2 General Recruitment

If the MAC is only hiring a portion of the outgoing contractor's staff, or none at all, CMS may request additional information regarding how new staff will be recruited, especially if a large number of employees are to be hired. CMS will review the MAC's HR approach, how potential employees will be found, methods of advertising and recruiting, schedules, and contingencies if labor sources are inadequate.

5.1.3 Employment Report

The incoming MAC will send to CMS a biweekly report of staff hired. The report should cover hiring activity for the jurisdiction, broken out by operational location(s). The report should show head counts for the various functional areas of the MAC's Medicare organization as well as the number of employees hired in those areas for the two-week reporting period. It should also show the total anticipated staff to be hired for that area. There should be a notation for employees that were hired from an outgoing contractor and the contractor should be identified. CMS will use the report to compare it with the staff listed in the MAC's proposal in order to verify that proposed staff was actually hired.

5.1.4 Training

CMS may request the MAC to provide detailed information on its training, especially if a large number of employees are to be hired and trained. The MAC should have a comprehensive approach for providing facilities and resources for training new hires, as well as those hired from the outgoing contractor. Training information should specify the type of training, the duration of each phase of training, what staff will be trained, the facilities used, and if any training will be subcontracted.

The training materials that the MAC uses must be based on the requirements in the RFP and all applicable laws, regulations, and Medicare manuals. Particular attention should be given to manuals and materials dealing with coverage of services, eligibility, reimbursement, and appeals. During the implementation, CMS may review the MAC's training materials and curriculum, observe classes, and review testing results. The MAC

must ensure that enough time is allotted in the schedule to adequately train all employees prior to cutover.

5.2 Site Acquisition/Facilities Preparation

CMS will be monitoring the activities associated with obtaining and preparing a facility for MAC operations. These activities include obtaining space, furnishing the operation, utilities, mail delivery, and support services (trash collection, security, cafeteria, etc.) CMS will verify that operational facilities are established as proposed and may perform an on-site inspection to confirm completion.

The MAC may be moving into a new facility (either buying or leasing an existing site, or new construction), moving operations into an existing MAC facility (which may require build-out or renovation), or moving into the outgoing contractor's facility. The MAC proposal will provide information on the location of its operational facility. If the MAC is proposing more than one operational location, it must identify what functions or workloads will be processed at each site and the expected staffing at each location. If the MAC proposes to acquire the outgoing contractor's facility, it needs to be sure that there are no problems with the outgoing contractor vacating or selling the property, or that the lease can be assumed. Existing contracts for security, food services, phones, off-site keying, etc. should also be reviewed to see if they can be assumed by the MAC.

CMS should be consulted if there is any change in regard to the facilities approach or plans during the implementation. The MAC must insure that the design for its operational workplace meets CMS requirements regarding access and security for certain functional areas; e.g., program integrity. The storage of Medicare files and records must also be taken into account when considering facility options. The MAC review of the outgoing contractor's operation will provide information on the outgoing contractor's storage arrangements so that the MAC can determine whether to keep existing arrangements or move the files to another location. All Medicare records and files (hardcopy and electronic) must be maintained in accordance with CMS manual instructions. See **Chapter 9.7**.

5.3 Hardware/Software

The MAC must provide the hardware and utility software necessary to communicate and operate with CMS-provided software and the CMS-designated Enterprise Data Center (EDC). The processes for obtaining and installing contractor-furnished hardware and software at the MAC operational site(s) will be described in the JIPP/SIPP. The tasks should cover all hardware and software that the MAC will need to become operational, including CPU upgrades, DASD, servers, data bases, tapes, print/mail equipment (inserters/sorters/meters, etc.), PCs/laptops, LAN/WAN hardware and software, workstations, peripherals (printers, scanners, etc), and telephone equipment. The project plan must cover the main operational site, as well as any proposed field offices or satellite operations.

The MAC must ensure that hardware and software requirements for any necessary IT support of front end/back end and data services not provided by the EDC (i.e., non-base services) are defined and agreed to with the organization providing the services. The MAC will also have to coordinate its equipment needs with its print/mail vendor if printing is subcontracted. It may be necessary to reassess equipment needs as the implementation progresses and as more information is obtained about the outgoing contractor's operations from the operational assessment or workgroups.

CMS will monitor the activities associated with obtaining hardware and software. CMS may request that the MAC submit verification of equipment orders and certification that equipment is in working order according to specifications. CMS may also perform an on-site inspection of the equipment and the operational readiness of the MAC.

5.4 Asset Inventory

The outgoing carrier/intermediary retains legal control of assets acquired on behalf of the Medicare program. It is responsible for disposing of those assets as quickly as possible after cutover or whenever the assets are no longer needed for Medicare. The outgoing contractor will normally discontinue the acquisition of assets during its closeout unless it is absolutely essential to the success of the transition. Assets not specifically furnished by CMS are the property of the outgoing contractor and may be kept, sold, or disposed of in accordance with Federal Acquisition Regulations (FAR). CMS's preference is that these assets be made available for sale or transfer to the MAC.

As part of its closeout activities, the outgoing contractor is required by CMS to develop a list showing its Medicare assets. The list will provide a detailed inventory of all supplies, furniture, hardware, software, equipment, and other work-related items. It will also show the anticipated disposition of the assets. The JIL will provide a list of any assets that may be available to the incoming MAC. This should be done as early in the transition as possible so that the MAC will have time to analyze, negotiate, and transfer any asset that it would like to obtain from the outgoing contractor. The asset inventory should be placed on the Deliverables List with a mutually acceptable due date.

5.5 Telecommunications – Data

The MAC will use government furnished telecommunication services provided by the Medicare Data Communications Network (MDCN). CMS provides these network services through a contract with AT&T Government Solutions, which was formally known as AT&T Global Network Services (AGNS).

5.5.1 Background

All MDCN telecommunications services are frame-based T-1 services. The MAC must provide a gateway to their internal LANs in order to effectively interface with T-1, frame-based telecommunications technology, unless otherwise negotiated. MDCN data communications services may be used for:

- Internal Medicare communications across multiple sites supporting the MAC's Medicare contract;
- Communications between the MAC and its Enterprise Data Center, other MACs, carriers/intermediaries, CWF Hosts, and shared system maintainers;
- Medicare communications between a MAC and any subcontractors (e.g., printing, non-base data services); and,
- Communications between the MAC and CMS and any other CMS contractors; e.g., PSCs, QIC, BCC, HIGLAS, etc.

The MAC may not use the MDCN for providers to submit claims and/or inquiries, to receive payments or remittance advices, nor for any other communications with the providers.

5.5.2 Requirements

Network connectivity requests are processed by CMS personnel through use of the Remedy system. If the MAC will need new connectivity, it must complete T-1 circuit forms (Circuit Request Form, Design Questionnaire, and Site Questionnaire) and forward them to the MAC Jurisdiction Implementation Lead or Project Officer. The JIL/PO will then enter the request into the Remedy system.

CMS's Office of Information Services (OIS) is responsible for the MDCN contract and will assist the JIL/PO as a liaison for all new/revised data communications needs. CMS will supply the incoming MAC with the name of an authorized point-of-contact (POC) within AT&T Government Solutions. The CMS Jurisdiction Implementation Lead, OIS, AT&T Government Solutions, and the MAC will establish regular teleconferences to assure that all data communications needs are communicated accurately and in a timely manner in order to ensure the most prompt installation.

The MAC must designate a program POC and a technical POC to handle ongoing communications and information exchange. These POCs will have the authority to represent/bind the MAC within the scope of data communications operations and supporting environments.

It is critical that the request for network services be made to CMS as soon as the kickoff meeting has occurred and implementation activities have begun.

The incoming MAC should request data communications services a minimum of ninety (90) calendar days before the expected operational delivery date for those services. The incoming MAC must also complete a technical information exchange with AT&T Government Solutions technical representatives within the first fifteen (15) calendar days following the request for services. When all specifications and requirements are complete, AT&T Government Solutions is contractually required to provide data communications within 60 calendar days.

5.5.3 Points of Emphasis

- **AT&T Government Solutions is dependent upon the local telephone company to install lines. The local telephone companies maintain their own schedules and may not be able to meet a customer's particular need for expedited installation and service.**
- Requirements gathering will include an interactive review process among the MAC, OIS, and AT&T Government Solutions representatives.
- The MAC should document all network connectivity requirements and specifications before the 60 day timeframe begins.
- The MAC should have any facility leases signed and arrangements made for the local telephone company and/or AT&T Government Solutions staff to have access to buildings to install lines and/or equipment. Turnaround time requirements on AT&T Government Solutions will not commence until this requirement is met.
- The MAC must grant AT&T Government Solutions access to equipment on its premises for installation, troubleshooting, and maintenance activities.
- The MAC is responsible for identifying any modifications to its data communications network requirements because of changes to its workload (e.g., obtaining additional workload or increased volumes of existing workload) and communicating those needs to the JIL/Project Officer.

5.6 Telecommunications – Voice

Voice communications are the responsibility of the MAC. CMS does not provide support for voice communications. The MAC must ensure that the telephone system that is in place at its operational site(s) meets the minimum design guidelines required by CMS and that it can connect with CMS-provided toll-free lines. The MAC should review the outgoing contractor's current inbound and outbound traffic to help assess needs, define phone system requirements, and determine how the additional workload will fit into its existing system. If the MAC will be utilizing the outgoing contractor's facility, it must reach agreement with the carrier/intermediary on what telecommunications equipment the outgoing contractor is willing to transfer. IVR/ARU equipment must also be assessed and the application software reviewed for required modifications. Internal voice mail and call accounting system requirements will also need to be examined.

The MAC must be certain that the local telephone company is aware of its implementation schedule and that voice and data communication installations are coordinated. **It should be noted that the lead time for local phone system installation can vary widely; the MAC must allow sufficient time for system setup.**

5.7 Data Center

The MAC will utilize the services of CMS's Enterprise Data Center (EDC). The EDC is an integral partner in the transition process and a representative will be in attendance at

the kickoff meeting. Data center personnel will participate in the appropriate transition workgroups. It is critical that there be an EDC point of contact for the MAC during the implementation. It is also important that the MAC be familiar with the provisions of the contract between CMS and the EDC and understands the roles and responsibilities of each organization. The MAC may be required to enter into a Service Level Agreement (SLA) or some other type of agreement to formalize the requirements of each organization.

Data center connectivity must be established between the MAC's operational site(s), the EDC, and any IT facility supporting the MAC (e.g., if front end and/or back end services or non-base applications/services are being provided). The MAC must assess and document data center access, security protocols, and processes (test and production regions, operator control files, problem reporting, DDE access for providers, etc.). System access and IDs for authorized testers and production staff will need to be established. Access and system security must also be established with the CMS mainframe for CROWD, CSAMS reporting, PECOS, and other software applications. All areas must be tested to ensure that access is appropriate and that reports can be submitted timely.

The MAC must also verify that workload regions at the EDC are properly installed, populated, and tested. In addition, the MAC must determine that all interfaces are analyzed, properly established, and tested (e.g., bank files, ARU/IVR, crossover processing, CWF, EDI processes, PSC, QIC, financial reporting, print interfaces, 1099 processing, etc.). IT risks should be monitored as part of the MAC's overall risk management plan and mitigation/contingency plans invoked if necessary.

5.8 Electronic Data Interchange (EDI)

Providers must have the ability to submit claims electronically without disruption. The MAC must ensure that all providers and submitters understand the changes that will take place because of the implementation. Submitters must have the opportunity to receive any necessary training and be able to test with the incoming MAC prior to cutover. The MAC must also provide technical support for any problems associated with claims submission and EDI if there is not a standard front end contractor.

5.8.1 General

EDI is the medium for the automated transfer of Medicare billing/claims (electronic media claims--EMC) and claims-related transactions. EDI technology facilitates the exchange of Medicare information between computers by providing a standard communication mechanism. EDI is utilized by Medicare claims submitters (e.g., providers, physicians, suppliers, billing agencies, and clearinghouses) as well as other entities with which the MAC shares Medicare information (e.g., trading partners). Some institutional providers use direct data entry (DDE) access into Medicare shared systems for the purpose of submitting and correcting claims. These providers key data directly into a computer that serves as a remote extension of the EDC.

With limited exceptions, all initial claims for reimbursement under Medicare must be submitted electronically in the Health Insurance Portability and Accountability Act (HIPPA) standard format. The exceptions include hard copies, faxes, and optical character recognition (OCR) claims from certain providers. The ability of providers to submit electronic claims via EDI and DDE without disruption is critical to the success of a transition. If submitters cannot have their EMC and claims-related transactions submitted successfully, or if Medicare data cannot be provided to trading partners, it will adversely affect the incoming MAC's operations. Any problems with payment or the ability to submit claims will increase the customer service workload as submitters attempt to resolve EMC issues. In addition, the MAC may suffer adverse publicity and the possibility of complaints to CMS and/or Congress will increase.

The MAC must establish and maintain effective EDI processes for all claims submitters and trading partners. It must allow sufficient time prior to cutover to test EDC submitters to verify that they can accommodate the MAC's front end requirements and bill successfully. This will reduce Return to Provider (RTP) claims and will assist the MAC in determining what training and/or informational bulletins need to be furnished to providers. The MAC must also coordinate EDI testing with its trading partners.

5.8.2 EDI Enrollment

Arrangements for Medicare EMC submission are specified in the CMS standard EDI Enrollment Form. When a submitter wishes to establish EDI capability with a MAC, it must complete the CMS standard EDI enrollment form and submit it to the MAC before the MAC will accept production claims from that submitter. However, current EDI submitters who have completed an EDI enrollment form with the outgoing contractor do not need to re-enroll and complete a new form. The existing EDI enrollment forms will be transferred to the incoming MAC at cutover. The MAC will make basic EMC software available free of charge to any new provider who wishes to enroll. A nominal fee may be charged to cover postage and handling for the PC software.

5.8.3 Connectivity

The Medicare Data Communications Network may not be used to provide connectivity between providers/submitters and the MAC. Consequently, MACs must support several connection methods for providers submitting electronic transactions. Providers may choose a direct dial-up connection from the provider's computer to the front end collection system, or they may choose to use a network service vendor to establish the connection. Providers are responsible for line costs for their use of EDI.

5.8.4 Front End System Translators

The EDI translator is part of the MAC's front end collection system and is used to:

- acknowledge receipt of transactions;
- detect errors in EDI transaction syntax; and

- convert HIPAA X12N format and data into transactions that the shared claims processing system recognizes and can receive as input.

By using reports generated by the front end collection system, submitters can confirm that the electronic files were received and determine whether any errors were identified within the file which prevented claims from being sent to the EDC for processing. CMS requires MACs to utilize commercial off-the-shelf (COTS) software for its translator; however, the MAC has the choice of what COTS software it will use.

5.8.5 EDI Assessment

As part of its review of the outgoing contractor's operations, the MAC should obtain a complete listing of all vendors, suppliers, providers, and trading partners who are currently submitting electronic transactions. This listing must identify whether submitters are transmitting claims via EDI or DDE and whether the format is HIPAA compliant. Electronic Remittance Notice (ERN) and Electronic Funds Transfer (EFT) information should be obtained, as should EMC submission rates.

The MAC must determine if there are any special carrier/intermediary claim edits that should be incorporated into its claims processing environment. The MAC must also determine if it interprets the standard format values differently than the outgoing contractor. The MAC needs to be aware of any information (other than claims) that is accepted by the outgoing contractor in a paperless manner and will need to determine whether or not it will be able to accept those items.

The MAC needs to determine as soon as possible if the outgoing contractor's EMC submission comes into the corporate network or directly to the Medicare operation. If EMC comes into the corporate network, the MAC needs to ascertain whether or not Medicare and corporate files are co-mingled. If so, the files will need to be separated so they can be furnished to the MAC.

5.8.6 EDI Communication

It is required that the MAC provide information, assistance, testing, and training to providers/submitters throughout the implementation period regarding EDI. Vendors, suppliers, and providers must understand any differences in EDI processes and front ends so that they will be able to make any changes necessary to their internal EDI processing systems. EDI must be emphasized in the MAC's implementation bulletins and in seminars/workshops. The MAC should also provide personal on-site assistance to submitters, if necessary. It is imperative that EMC/EDI issues are not ignored or minimized by the MAC or submitters. It is also important that the MAC be sensitive to provider concerns regarding any change.

The MAC must allow for sufficient time to test and verify that EMC submitters can accommodate the front end requirements and can successfully submit EDI transactions into the MAC's front end at cutover. This will help reduce Return-to-Provider claims

and reduce provider inquiries. Testing will also help determine training needs or the content of information bulletins that need to be furnished during the implementation and will help in planning telephone service support after cutover.

The MAC must remember that sufficient staff must be available to support the EDI/EMC activity. Incoming contractors normally have additional telephone and technical customer service personnel available immediately after cutover to accommodate questions/issues/problems regarding EDI transactions. It may also be necessary to follow up with providers individually or provide on-site assistance if a submitter continues to have problems. EDI transactions, communications, and related customer service will be monitored closely by CMS after cutover to insure that entities are able to submit claims and receive proper notification and payment.

5.8.7 Electronic Funds Transfer

Electronic funds transfer (EFT) is the methodology by which Medicare payments are transferred electronically from the MAC's bank directly to the bank account of the provider or supplier. Providers and suppliers who wish to continue to receive Medicare payments via EFT from the incoming MAC must complete a new copy of Form CMS-588, Authorization Agreement for Electronic Funds Transfer prior to cutover. This is required even if the MAC's financial institution is the same as that of the outgoing carrier or intermediary. If the incoming MAC already has a CMS-588 signed by the provider/supplier (i.e., it is the current carrier/intermediary for that submitter), then a new form is not necessary.

The MAC will obtain and retain a signed form from each provider, physician, or supplier requesting EFT. It is essential that the requirement for the completion of a new CMS-588 be emphasized as part of the MAC's provider communications, special bulletins, and implementation workshops. The incoming MAC should immediately begin its efforts to obtain the forms. CMS will be monitoring the percentage of completed EFT forms during the implementation. As cutover approaches, the MAC is expected to follow up and personally contact those providers who have not returned a completed CMS-588, especially the high volume submitters. Contact should be attempted numerous times, if necessary. Providers must be warned that failure to complete the CMS-588 by cutover will end the electronic deposit of funds to their bank accounts. The MAC should attempt to convince providers to accept direct deposit via EFT and inform them of the consequences if they do not.

If after all efforts have failed and the provider does not submit a new CMS-588, then the MAC must issue and mail a paper check. Provider or supplier pick-up of checks, next day delivery, express mail, and courier services are not allowed unless there is a special situation that is approved by CMS. **The incoming MAC shall not stop any provider/supplier's EFT for lack of a new CMS-588 until authorized by CMS to do so.**

5.9 Access to CMS Systems

It will be necessary for the MAC to have access to CMS computer systems and the new contractor numbers within those systems. The MAC will work with Jurisdiction Implementation Lead to ensure that the appropriate MAC employees obtain that access.

CMS will provide the MAC with a form to list the employees for which access must be obtained. The form includes the employee's name, user identification, address, phone number, e-mail address, and each CMS system to which the employee will need to access. It will be reviewed by the JIL and submitted to the CMS Office of Information Services. Some components may not be able to make the requested updates until the actual cutover date due to programming constraints, and the JIL will follow up with the MAC to ensure all requested changes are effectuated. The MAC should designate individuals to validate user access at regular intervals following cutover until all changes have been completed.

If outgoing contractor employees will be employed by the MAC, they must have their access to CMS systems deleted by the outgoing contractor. The incoming MAC will then request new access to CMS computer systems for those individuals previously employed by the outgoing contractor. System access cannot be transferred from one contractor to another.

Chapter 6: TRANSFER OF CARRIER/INTERMEDIARY OPERATIONS

6.1 Overview

As the MAC is obtaining resources and preparing the infrastructure, it must also plan, organize, and control the orderly transfer of operations, workload, and documents from the outgoing contractor. The movement of a segment workload may establish the MAC's operation (i.e., it is the first Medicare workload that the MAC will have to process) or be a merger into the MAC's existing operation. The tasks required for the transfer of workload will vary between Part A and Part B and may vary among the carriers and intermediaries whose workload the MAC is assuming. The tasks will also vary depending on whether or not the MAC will be simply moving its own carrier/intermediary segment workload to a MAC environment, if it will have a relationship with the outgoing contractor (e.g., partnership/subcontractor), or if it will be a "turnkey" operation.

Due diligence and workgroup activities will provide the structure to assess the various functions performed by the outgoing contractor. The MAC will need to get as much information as possible about the outgoing contractor's workload and business procedures for each operational area. This analysis will help the MAC to establish the parameters for what will need to be moved, and process flows will help determine how to move the workload and to where.

Depending on its assessment and the outgoing contractor's performance during the transition period, the MAC may propose to move certain functions earlier than scheduled. Should such a situation arise, CMS will discuss the proposal with all parties involved and reach agreement as to how to proceed. The MAC may also implement process improvements and/or operational changes based on its assessment, as well as reevaluate its staffing requirements. The MAC must be aware of all productivity, production capacity, and quality issues so that they may be addressed. It must also be aware of CMS contractual requirements and all manuals, performance requirements, transmittals, etc. as they relate to any implementation activity.

The MAC and the outgoing contractor must work closely to coordinate activities and monitor inventory and staffing changes throughout the transition. The MAC and the outgoing contractor must also anticipate the likelihood of increased workloads (especially appeals) just prior to cutover. The MAC will need to verify that its system and Medicare operation is capable of supporting the workload that is being assumed and that the responsibility for interfaces and connections is established.

It will also need to ensure that any agreements and contracts between transition participants and other entities are negotiated and executed. The MAC must have a complete list of trading partners and make certain that trading partner agreements are

updated to support operations. If the MAC will be assuming the outgoing contractor's facility or operation, it will need to review all contracts for services to determine if the contracts can be assumed or if they will have to be renegotiated.

6.2 Claims Processing

The MAC should analyze the outgoing contractor's workload data for all claims processing areas for the current and preceding year. High volume edits, returns, and rejects should be analyzed. Backlogs should be identified to see how they may affect the implementation schedule or require certain functions to be moved earlier than planned. The MAC must work closely with the outgoing contractor to understand how acceptable workload levels will be maintained and to provide assistance if necessary. Any unique processing requirements, special claims processing arrangements, or demonstration projects should be identified. Contract compliance and service issues should also be identified.

The MAC should request the outgoing contractor's claims operations documentation in order to review claims controls, reason codes, monitoring and reporting procedures, quality assurance processes, and the edit process. This will enable the MAC to determine procedural differences between its operation and the outgoing contractor's. Any applicable CPE results should be reviewed, as should all desk procedures and management reports.

The outgoing contractor may not be willing to provide certain requested information because of its proprietary or business nature. If the MAC believes the outgoing contractor is withholding non-proprietary information that is necessary for the successful completion of the implementation, it should contact the CMS Jurisdiction Implementation Lead or Project Officer. See **Chapter 4.9**.

6.2.1 Customer Service

The MAC will need to review provider service policies and procedures and determine procedural variances between it and the outgoing contractor. A listing of top reasons for inquires will provide helpful, as will a listing of providers (including provider number) with high call volumes. Also, a list of challenging providers with consistent issues should be obtained. The MAC should review complaint analysis summaries for the past year, if applicable, and evaluate the number of unresolved pending complaints. It should also obtain a historical analysis and trending reports for the past two years.

Workload data (open provider written and telephone inquiries) should be obtained. The MAC should also analyze data on call backs, email inquires, the logging and tracking of calls and written inquiries, quality call monitoring, and any walk-in activity. Copies of quality focused audits performed in past year and any CPE, OIG, or other external reviews should be reviewed by the MAC. The level of automation for correspondence generation should be assessed, and forms, listings, and any routine reports may also be examined.

The MAC must meet with the Beneficiary Call Center (BCC) contractor to obtain call data and to establish protocols for processing complex beneficiary inquiries (see **Chapter 7.5**). The MAC must also determine the impact of its ARU/IVR and make any necessary modifications to scripts to reflect the acquisition of the outgoing contractor's work. The carrier/intermediary's workload reduction plan will be monitored throughout the implementation. Should customer service indicators show deterioration below acceptable standards, CMS may request that the MAC assume some or all of the customer service functions earlier than originally scheduled.

6.2.2 Medicare Secondary Payer (MSP)

The MAC will need to gather MSP documentation from the outgoing contractor and analyze current operations, desk procedures, and management reports. The MAC will need to obtain copies of MSP reports relative to workloads and pending caseload. A list of all open/active cases and correspondence will need to be obtained. The MAC should review MSP post-payment activities (pending subrogation liability cases, IRS/SSA/CMS data match files and outstanding cases, routine recovery) and MSP debt referral (DCIA process).

The outgoing contractor's current process of tracking accounts receivable (AR) will need to be reviewed. The MAC should determine the status of MSP accounts receivable and work with the outgoing contractor to move any accounts receivable to the MAC's financial system. It will need to determine the status of the MSP accounts receivable write-off and identify and reconcile MSP accounts receivable for 750/751 reporting. Also see **Chapter 7.11**.

6.2.3 Medical Review

The outgoing contractor should provide medical review (MR) policies, desk procedures, edits, and management reports to the incoming MAC. The MAC should review policies, articles, advisories, and mailings for compatibility and retention and archive this information for historical purposes. Medical records storage/retrieval and privacy act compliance should also be evaluated.

The MAC must review the MR/Local Provider Education and Training (LPET) strategy and the process and procedures of identifying program vulnerabilities. It must analyze progressive corrective action (PCA) procedures, reports, programs, data, and related activities. Data analysis methodology will also need to be assessed. This includes the number and type of edits, edit effectiveness, the number and type of probes, and software for trending reports. Statistics used to determine pattern analysis and other data analysis techniques should be reviewed. In addition, tracking techniques for monitoring effectiveness of edits and educational activities should also be analyzed. The MAC should prepare to receive any workload related to ongoing interventions addressing a prioritized problem from the outgoing contractor's MR/LPET strategy.

The MAC should monitor inventory and track the outgoing contractor's automated and manual workloads. Automated review tools should be analyzed and medical record storage/retrieval processes should be evaluated.

The MAC must meet with outgoing contractor's Medical Director and other MR staff to discuss Local Coverage Determinations (LCDs). The outgoing contractor must retain its LCDs and MR edits until cutover and will provide the historical record for each LCD to the MAC. Carrier/Intermediary Advisory Committee activities should also be discussed with the outgoing contractor.

The MAC must also discuss and coordinate its MR activities with the Quality Improvement Organization (QIO) and the Program Safeguard Contractor (PSC). In some jurisdictions, the PSC may perform MR activities for a segment. If that is the case, the PSC will be required to transfer MR functions and workload to the incoming MAC. The tasks required to accomplish the transfer must be incorporated into the Jurisdiction Implementation Plan. Also see **Chapter 7.3**.

6.3 Appeals

The MAC will need to assess the outgoing contractor's appeal procedures and obtain the status of the first level appeals (redeterminations) that are currently in progress. The MAC will work with the outgoing contractor to develop an estimate of the redeterminations that will be completed prior to cutover and those that will be forwarded to the MAC. The MAC will also need to determine if there are any outstanding requests from the Qualified Independent Contractor (QIC) for reconsideration case files or any effectuations that are in progress. See **Chapter 7.6**.

6.4 Provider Audit and Reimbursement

The MAC will need to determine the location and status of cost reports and rate review files. It should evaluate workload volumes during the transition—desk reviews, audits, focus reviews, exception requests, re-openings, cost report appeals, settlements, and tentative settlements. It should also analyze the outgoing contractor's workload and operations—workflow, monitoring processes, internal controls, payment history, CFO reports, provider correspondence, and Freedom of Information Act requests. If applicable, the MAC should review and negotiate any cost report software vendor contract and evaluate any software that the outgoing contractor may have available for continued use. The MAC should also compare operational procedures and determine if any differences will require changes to its procedures.

6.4.1 Reimbursement

The MAC must make certain that it establishes accurate interim rates, provides key financial reporting, and collects overpayments timely. It will need to obtain current interim rate policies and procedures. It should also obtain provider schedules for interim rate review. The year-to-date accuracy of interim payments should be reviewed, as

should the tracking of settlements and interim payments. Payment tolerances in the system will need to be established. The MAC must determine procedures for interim rate reviews beginning at cutover and for moving workload into the interim rate tracking system. It should also obtain an inventory of pending interim rate reviews.

The MAC will need to get TEFRA, Per Resident Amount (PRA), and Ambulance rates along with an inventory log of all historical rates and supporting calculations. It should also develop procedures for rate maintenance after cutover and incorporating rates into existing tracking logs. The MAC should obtain Sole Community Hospital (SCH) information, review cumulative target amounts for multiple years, establish files for SCH worksheets, and update the existing SCH calculation database. Provider profile data, provider rates, and address information should also be verified.

The MAC will also have to obtain information on the outgoing contractor's debt collection and referral process. It should review the demand letters/tracking process, Provider Overpayment Report (POR) entry and reconciliation process, and the process for entering debts into the debt collection system. The MAC should also review correspondence on overpayments and obtain historical settlement data. The status of outstanding overpayments will have to be determined by reviewing the overpayment documentation and overpayment referrals. The MAC will have to review outstanding claims accounts receivables, extended repayment schedules, and outstanding accelerated payments. It will also need to evaluate internal accounting by analyzing monthly reporting, payment cycles, distribution of Remittance Advices, checks, EFTs, and balancing procedures.

6.4.2 Audit

The MAC will need to evaluate the current provider audit operations. This includes all activities relating to cost report acceptance through cost report settlement. It also includes all work related to re-openings and appeals.

The location and status of desk reviews and audit reviews will need to be obtained, as will exception requests, reopenings, appeals and settlements, wage index reviews, hospital audits and on-site reviews. The MAC must determine the audit data to be finalized by cutover and obtain an inventory of filed cost reports that will be unprocessed by cutover. It will also need to prepare cost report due date letters and demand letters for release after cutover.

The MAC should evaluate Cost Report acceptance, Tentative Settlement, and Cost-to-Charge Ratio policies and procedures to determine if there will be changes after cutover. Audit safeguard policies such as workload rotation policy and auditor independence should be evaluated, as well as the settlement and finalization process. The MAC should also determine how files are stored on-site and off-site and determine which will be shipped to its operational location.

The outgoing contractor's annual master audit plan should be analyzed. This would include all cost reports to be received, reviewed, audited and settled during the year. It would also include recurring, time-specific activities such as the wage index. This plan would be of benefit to the MAC in developing its master audit plan for the coming year.

6.5 Provider Enrollment

When cutover occurs, the MAC will need to ensure that the process for enrolling providers and verifying provider ownership and qualification data is functioning properly. The MAC should obtain the current provider enrollment inventory from the outgoing contractor and review enrollment procedures. Provider application processing timeliness should be reviewed, as well as the provider application pending workload. The MAC's provider enrollment processes must be in compliance with Pub.100-8, Chapter 10.

The MAC will coordinate with the outgoing contractor to determine when the cutoff for requests will be and when all applications will be forwarded to the MAC. Providers must be notified of when and where applications should be mailed. The MAC must ensure that it has provided for secured on-site storage space for applications and supporting documentation and that the files are properly transferred to its facility. The MAC must verify that it will have access to all PECOS files and records for the providers and supplier currently enrolled in each segment at the time of cutover.

6.6 Provider Education/Training

As described in **Chapter 12**, the MAC will be responsible for communicating information regarding the progress of the implementation to all stakeholders. A key element of the communication plan is provider education and training. For each segment implementation, the MAC must make sure that providers have a complete understanding of what will be required of them during the transition and the impact of any changes that will occur. Providers especially need to understand the activities associated with the cutover. The MAC needs to work closely with the outgoing contractor to be certain that transition information is transmitted clearly and frequently to providers using various means. When the outgoing contractor holds its regularly scheduled provider/association/specialty group meetings, the MAC should attend so that it can be introduced and make a presentation. The MAC and outgoing contractor should continue joint meetings throughout the transition. It is expected that the MAC will conduct a number of provider workshops/seminars held at convenient locations throughout each state so that providers can be informed of the changes that will occur.

The MAC should obtain training history from the outgoing contractor. This includes the locations of meetings, topics, frequency, attendee mailing information, and telephone numbers. Training materials such as presentations, curriculum, and manuals/ handbooks should also be reviewed. The outgoing contractor's provider bulletins and newsletters from the past two years may be of benefit as the MAC develops its education and training

plans. The MAC should also provide transition information to the outgoing contractor for inclusion on its website.

6.7 Print/Mail Operations

The MAC will need to analyze the outgoing contractor's mailroom workflow and operations to determine how mail functions will be transferred. The MAC will need to analyze what functions are performed at the mailroom (control, imaging, activation, etc.) and should request a breakout of the types of mail received and the average volumes by day. It will also need to know the volume of system generated and non-system generated mail.

A decision will have to be made regarding the number of locations mail will be received. The MAC will also need to determine how it will move the outgoing contractor's existing mail at cutover. The MAC must meet with post office representatives to explore its mail options. The post office can change the ownership of existing box(es), thereby keeping the same post office box number(s) for the MAC, or forward mail to other locations. The MAC may also want to have numerous boxes that will handle specific types of claims. The MAC should determine if it will need a mail services contractor for pick up, delivery, presorts, metering of letters, etc. It will also need to determine if additional mail handling, sorting, imaging, and/or metering equipment is needed.

The MAC must work with the outgoing contractor to determine how existing mail will be transferred at cutover. The organizations should also agree on arrangements for transferring mail that is received by the outgoing contractor after it leaves program. The MAC will need to determine how long old PO boxes will be kept open and how long mail will continue to be forwarded. Agreement will also need to be reached on how checks will be handled that are received by the outgoing contractor after cutover. Any new mailing arrangements must to be communicated to providers and submitters through bulletins, websites, and seminars as part of the MAC's implementation training.

The MAC must evaluate print requirements for each segment implementation. It should evaluate usage trends for letterheads, envelopes, and internal forms. It should analyze all print jobs and requirements, identify any changes, and evaluate any impact caused by obtaining the outgoing contractor's workload. Sample data for documents and reports should be printed and reviewed. Print format changes will then be made and form flashings modified. The MAC should conduct any training necessary for print and inserter operators and develop user documentation.

The print output should be thoroughly tested. Testing should include MSNs, provider remittance advices, and letter and report generation. The MAC must also test check generation, the check signing process, Magnetic Ink Character Recognition (MICR) check acceptance by banks, bar coding and sorting, and mail stuffing.

6.8 File Inventory

The MAC shall work with the outgoing carrier/intermediary (as well as any other organization such as a PSC or another carrier/intermediary outside of the jurisdiction) to identify all the files that will need to be transferred to the MAC during the implementation. The MAC should also be aware of any files that the outgoing carrier/intermediary may be splitting and moving to another MAC or other organization during the outgoing contractor's closeout.

6.8.1 General

The outgoing contractor (and any other organization that will be moving files during the transition) will develop an inventory of Medicare files in its possession (electronic data files, hardcopy, microfilm, microfiche, tape files, etc.). During this process, the carrier/intermediary must also identify files that are in a proprietary format which would preclude the use of the data by the MAC. If such is the case, the outgoing contractor will need to convert the files to a standard or flat file format. The inventory should include the file content description, data set information, tape and file processing methods, and record information. The inventory should be provided to CMS with a copy to the incoming MAC. All required updates to files must be made prior to transfer.

The MAC will use the inventory to identify the files that it will need for its Medicare operation and will request those files from the outgoing contractor/other organization in the form of a Deliverables List. **Exhibit 5, Files to be Transferred to a Medicare Administrative Contractor**, provides a list of the types of files that a MAC would request from the outgoing contractor.

Paper and electronic files that need to be transferred to the MAC may be commingled with other states that the carrier/intermediary services that are not moving to the MAC. If that is the case, the MAC will then enter into a data access agreement with the carrier/intermediary. The JIL/PO will be involved in the discussions regarding file access and will provide a sample Joint Operating Agreement for the development of the agreement.

6.8.2 Mainframe

The movement of mainframe files may be internal or external, depending on where the files are located. Most mainframe files of the outgoing contractor will be resident at the EDC. The structure of all the files will need to be provided along with a description of each directory. Support files such as print/mail, EDI, financial, and ad-hoc interfaces must be included. Passwords will need to be removed from the files and the disk space determined. The actual transfer method/process must be established, with responsibilities acknowledged. Prior to cutover, the MAC should test that files can be transferred. After the actual transfer, the files should be reconciled with the directory.

The MAC should work with the EDC and/or shared system maintainer to determine if any files require conversion. If so, pre-conversion screen prints should be produced. After the file conversion is run, the results must be verified.

6.8.3 LAN/PC-Based Files

These files include Excel spreadsheets, access databases, and emails. The MAC should assess LAN file listings and establish transfer protocols similar to mainframe files.

6.8.4 Hardcopy

Prior to the actual transfer of files, the outgoing contractor must provide to CMS and the MAC a detailed inventory of hardcopy files, with an accompanying description of each file, including contents, size, etc. All paper files (archived and active, on and off-site) will be inventoried. Once the inventory has been prepared, the MAC will develop a schedule with shipping dates and work with the outgoing contractor to ensure that those dates can be accommodated.

The MAC must determine which hardcopy files will be moved and to what location. The outgoing contractor must provide information on any off-site storage sites: what files are stored, content, volume, and security. The MAC should schedule a meeting with the outgoing contractor and the storage facility to discuss transfer activities and access. The MAC will need to determine if any existing storage contract held by the outgoing contractor can be assumed, or if new storage agreements will need to be negotiated. When storage arrangements are made, the MAC will need to establish or review its storage and retrieval protocols.

6.9 Disposition of Files

As of the date of publication of this handbook, all Medicare contractors are under a Department of Justice decree not to destroy Medicare paper, electronic, and systems records regardless of the Medicare manual retention requirements. All Medicare files in the possession of the outgoing contractor must be transferred to the MAC. The only exceptions to this requirement are: 1) administrative financial files that the outgoing contractor must keep in order to prepare its final cost report, and 2) duplicates of original files that are being transferred to the MAC. Any files that are not transferred to the custody of the MAC must be destroyed by the outgoing contractor and certified as such.

Chapter 7: INTERACTION WITH OTHER TRANSITION ORGANIZATIONS

7.1 General

The MAC is required to interface with a number of different organizations in order to perform its contractual obligations. During the implementation, the level of interaction with these organizations will vary, depending on the extent of the interface. The following sections provide information on some of the key organizations that will have significant involvement with the MAC during its implementation.

7.2 Enterprise Data Center

The MAC must utilize the services of the CMS-designated Enterprise Data Center (EDC). The data center will provide the necessary hardware, application software, resources and supplies necessary for base (and certain non-base) Medicare claims processing services.

The EDC will be a key participant in the MAC implementation effort. It will be a member of several transition workgroups and an EDC point person must be identified for transition-related issues. It is expected that the EDC will be present at all biweekly status meetings. The data center should have its own transition project plan, which will be coordinated with the MAC's JIPP/SIPP and the outgoing contractor's closeout plan. The MAC implementation tasks associated with data center activities must be incorporated into its JIPP/SIPP and may need to be revised once the EDC has developed its transition plan.

The MAC must adhere to all operational processes and procedures the EDC establishes with its users. It may be helpful to obtain a copy of the contract between CMS and the data center to clearly understand what hardware, software, and services the data center will provide. This may also help in defining implementation tasks for the JIPP/SIPP. The MAC may be required to enter into a Service Level Agreement (SLA) or similar type agreement with the data center. If so, the MAC should obtain a copy of an existing data center agreement to understand what services, standards, and obligations are covered. The MAC may use the sample as a basis for developing its own document.

The EDC will work with the outgoing contractor's data center. It must also work with any IT facility that will support the MAC (e.g., front end and/or back end services not provided by the EDC or non-base applications/services). The MAC will also have to interact with another EDC/data center if it will be receiving workload from other contractors (i.e., PSC or out-of-jurisdiction providers). The MAC must assess and document EDC access, processes, and security protocols. It must work with the data center to establish system security and access for authorized testers and production staff.

The Enterprise Data Center will be heavily involved in the MAC's testing. The MAC must discuss its testing requirements with the EDC and coordinate its testing schedule. The MAC will need to verify that workload regions at the data center are properly installed, populated, and tested. It must also ensure that interfaces are established and tested. These include bank files, ARU/IVR, crossovers, CWF, EDI processes, print interfaces, and 1099s.

Currently, the MAC and the EDC do not enter into any type of agreement with each other regarding services and support. However CMS may require that the MAC and EDC enter into some type of JOA or service level agreement (SLA) in the future.

7.3 Program Safeguard Contractor (PSC)

The MAC must enter into a working relationship with the appropriate PSC that will be performing certain Medicare functions within its jurisdiction.

7.3.1 Background

The Medicare Integrity Program (MIP) was created under the Health Insurance Portability and Accountability Act (HIPAA) of 1996. This act gives CMS the authority to enter into contracts with Program Safeguard Contractors (PSCs) to promote the integrity of the Medicare program. The act allows PSCs to perform various functions: medical review, cost report auditing, data analysis, benefit integrity, and MIP provider education.

The functions that the PSCs perform vary from contract to contract; however, under Medicare Contracting Reform the PSCs will only be responsible for benefit integrity work. This means that for some segment transitions, the MAC will be required to assume some of the functions that are currently being performed by a PSC. In other segments, the PSC will be currently performing only benefit integrity functions; therefore, no workload will need to be transferred to the MAC. The MAC's implementation activities regarding the PSC must be incorporated into its Segment Implementation Project Plan.

7.3.2 Implementation Activities

The PSC implementation activities must be accounted for in the MAC's workgroups. There may be a separate workgroup established for the PSC or PSC activities may be incorporated into another MAC transition workgroup in order to conserve resources. Regardless of how it is organized, there should representation from CMS, the PSC, and the MAC on any workgroup responsible for PSC transition activities. The outgoing contractor may also participate. The MAC will be the lead for the workgroup and distribute meeting minutes.

7.3.3 PSC Contract Meetings

Since the contract for PSC activities is between CMS and the PSC, the CMS staff with oversight responsibility for the PSC may require that it have meetings with the MAC that

are separate and apart from any transition workgroup meetings. These meetings would be held with the CMS Government Task Leaders (GTLs), the PSC, the MAC's Segment Project Manager, and the outgoing contractor. The Jurisdiction Implementation Lead may also participate in these meetings to provide jurisdiction-wide input and perspective. Weekly or bi-weekly conference calls may be conducted by PSC staff to discuss the PSC transition status of each organization.

7.3.4 Joint Operating Agreement

The MAC and the PSC must enter into a Joint Operating Agreement (JOA) to formalize the functions that each will perform. While the development of a JOA is the responsibility of the PSC, the MAC will need to be involved in the process. The JOA is an extremely important document that provides clarification of both contractors' roles, responsibilities, and respective duties. The PSC and the MAC should begin work on the JOA as soon as possible after contract award. There must be a high level of participation between the parties, since the JOA impacts the working relationship of both organizations. The outgoing contractor should also be involved in the process, especially if it will have a subcontracting/partnership arrangement with the MAC, since the work processes of the outgoing contractor and its staff may be utilized in the new operation. The MAC may want to review the current JOA between the outgoing contractor and the PSC to give it a basis for discussions with the PSC. Also, the MAC should recognize that the JOA may change during its existence due to changes in program requirements.

It should be noted that the MAC is responsible for referring all suspected fraud and abuse to the PSC regardless of the source; e.g., provider inquiries, medical review, and complex inquiries referred from the BCC.

7.3.5 Communication/Coordination

The PSC and the MAC must coordinate their respective provider communications activities that occur during the transition. This coordination includes joint introductory newsletters and meetings with providers, subsequent provider newsletters, and information presented on the MAC's website. The MAC and PSC should also develop a joint Deliverables List since both parties will require some of the same deliverables from the outgoing contractor. This will prevent a duplication of effort for all parties.

The CMS GTL will closely monitor the PSC to ensure that as much of its workload as possible is completed prior to cutover so that the MAC does not receive an unanticipated backlog. Any remaining unfinished PSC work will be forwarded to the MAC in accordance with the MAC's cutover plan, which will be developed with PSC input. The PSC should allow sufficient time so that the MAC can review files and ask any questions prior to cutover. The CMS GTL will notify all relevant stakeholders (e.g. DOJ, FBI, OIG) of the functions (if any) that are being transferred and the roles and responsibilities under the new PSC JOA.

7.4 HIGLAS

HIGLAS is a comprehensive, unified general ledger accounting system that allows CMS to improve accountability for Medicare payments to providers and beneficiaries. It is replacing carrier and intermediary ad hoc, PC-based computer software that is fragmented and overlapping. HIGLAS provides four financial functions: accounts receivable, accounts payable, general ledger, and cash management. HIGLAS will eventually be used by all MAC contractors and for CMS administrative accounting. HIGLAS is a CMS-furnished application and the MAC will access it using a standard Web browser over the internet. MAC personnel will be able to access certain HIGLAS online functions to support their normal job functions.

The MAC will not need to convert any outgoing contractor's financial system to HIGLAS during the implementation period. All outgoing contractors will be either using HIGLAS prior to cutover or will be converted to HIGLAS after the MAC is fully operational; i.e., after the Jurisdiction Operational Start Date. As such, the MAC will not be responsible for any HIGLAS conversion activity during the implementation period.

If a non-HIGLAS MAC will be assuming the workload of an outgoing contractor who is using HIGLAS, the MAC will need to install the HIGLAS application during the implementation period in order to process the outgoing contractor's HIGLAS workload when it is transferred at cutover. In this instance, the MAC will be operating two financial systems within its jurisdiction (i.e., its own legacy financial system and the HIGLAS system for the workload that is received from the outgoing contractor). That is because once a Medicare claims processor begins using HIGLAS, its workload must continue using HIGLAS if it is moved. The MAC's dual financial system operation will continue until there is a conversion of the MAC's legacy system to HIGLAS. This will occur after the MAC is fully operational and in accordance with the HIGLAS implementation schedule.

While there will not be any conversion to HIGLAS during a transition, the financial files of an outgoing contractor on HIGLAS will be split at cutover if not all of the states within a specific production region at the contractor's data center will be moving to the MAC's jurisdiction. This will require additional planning and coordination between the MAC, EDC, HIGLAS staff, shared system maintainer, and the outgoing contractor.

7.5 Beneficiary Call Center

The Medicare Modernization Act mandated that a toll-free number, 1-800-MEDICARE, be the single point of contact for Medicare beneficiary telephone inquiries. This includes any specific question about a beneficiary's Medicare claim. Beneficiary-specific claims inquiries were formerly handled by the carrier or intermediary who processed the beneficiary's claim. When a beneficiary calls the toll-free 1-800-MEDICARE number and inquires about a specific claim, he/she will be routed to a customer service representative (CSR) at the Beneficiary Call Center who is trained to handle normal claim-specific questions. Written and electronic inquiries will also be handled in the

same manner. Each CSR is equipped with the standard Next Generation Desktop (NGD), which provides them with access to the data systems necessary to answer Medicare inquiries.

CSRs will not have the expertise to answer complex beneficiary inquiries. When the CSR cannot resolve the beneficiary's inquiry, it will electronically refer it to the MAC via the NGD. The MAC's research and referral staff will be responsible for investigating, resolving, and providing a direct response back to the beneficiary.

The MAC should meet with BCC during the implementation to determine the protocols for transferring telephone inquiries and written/electronic correspondence. The BCC must be aware of the MAC's implementation plan and a testing schedule should be developed. The MAC will also need to negotiate a Joint Operating Agreement (JOA) with the call center that covers the interaction and responsibilities of both parties.

7.6 Qualified Independent Contractor (QIC)

Under the Benefits Improvement and Protection Act (BIPA) and the MMA appeals provisions, the MAC is responsible for processing redeterminations, which are first level appeals. Qualified Independent Contractors (QICs) perform the second level claim appeal, which is known as a reconsideration of a redetermination. If a request for reconsideration is made, the MAC must ensure that all case files are forwarded to the QIC and that the files contain all relevant information and evidence, including medical documentation. The MAC must take all necessary action to forward cases, effectuate decisions received from the QIC or other subsequent level of appeal, and provide payment. It must also forward misrouted requests to the proper servicing QIC.

The MAC must meet with the QIC that is servicing the segment workload that is being transferred. The protocols for forwarding reconsideration requests and other information must be discussed and agreed upon. Any data network connections must be established and tested. The QIC should be aware of the MAC's implementation plan and schedule. It will need to know cutover dates to develop a plan for any outstanding work that it might have. The MAC and outgoing contractor will determine the date that the QIC should stop sending requests for information or effectuations to the outgoing contractor, so that the backlog can be reduced. The MAC will also need to negotiate a Joint Operating Agreement (JOA) with the QIC that will detail the activities and responsibilities of each party.

7.7 Administrative Qualified Independent Contractor (AdQIC)

In addition to the QIC, the Benefits Improvement and Protection Act (BIPA) also provided for the establishment of an Administrative Qualified Independent Contractor (AdQIC). The AdQIC does not process claim appeals. It reviews reconsideration data for statistical and analytical purposes and forwards effectuation information to the MACs in response to Administrative Law Judge (ALJ) and Departmental Appeal Board (DAB) decisions. The MAC utilizes the information provided by the AdQIC in order to properly

effectuate the claim in dispute. The AdQIC also develops, maintains, and distributes reconsideration protocols that are used in processing appeals. In addition, the AdQIC conducts training of QIC personnel, disseminates information on QIC appeals decisions to the public, and coordinates various activities with the QICs, MACs, carriers, and intermediaries. The MAC will need to negotiate a Joint Operating Agreement (JOA) with the AdQIC.

7.8 Quality Improvement Organization (QIO)

A Quality Improvement Organization (QIO), formerly known as Peer Review Organization (PRO), is a group of doctors and other health care experts that are paid by CMS to review and improve the care given to Medicare patients. QIOs review complaints about the quality of health care services given to Medicare beneficiaries in hospitals, skilled nursing facilities, CORFs, and home health agencies. QIOs also review cases from hospitals to make sure the care was medically necessary, provided in the appropriate setting, and coded correctly. In addition, QIOs provide assistance to hospitals, nursing homes, physician offices, and home health agencies in measuring and improving quality.

The MAC will make the appropriate referrals to the QIO for medical necessity determinations and accept referrals from the QIO. It will process payment adjustments submitted by the QIO based on medical necessity determinations and DRG validations, including corrections to the disposition code. The contractor will also receive all notification of billing errors from the QIO and resolve the error.

The MAC will need to contact the QIO that is servicing the segment workload being transferred to discuss the transition. The MAC should obtain a copy of the Joint Operating Agreement (JOA) between the QIO and the current intermediary and use it as a basis to negotiate a new JOA. The procedures for transferring and receiving data and information must be agreed upon. The network infrastructure must be established and tested. The QIO should be familiar with the MAC's implementation schedule and agreement must be reached among the parties as to the last date for referrals to be sent to the QIO and received by the outgoing contractor.

7.9 Coordination of Benefits Contractor

The coordination of benefits process incorporates the identification of other payers that have primary or supplemental payment responsibilities into the MAC claims processing operation. The MAC will need to interface with the Coordination of Benefits Contractor (COBC) on Medicare secondary payer (MSP) issues and on crossover claims. The COBC will be responsible for developing MSP information and for forwarding processed claims data to other health insurers that pay after Medicare.

The COBC is a centralized operation that consolidates the performance of all activities that support the collection, management, and reporting of other insurance coverage of Medicare beneficiaries. The COBC ensures that the primary payer—whether it is

Medicare, employer insurance, or other insurance—pays first, and then makes arrangements for transferring the claims automatically to the secondary payer for further processing. It also maintains a comprehensive health care insurance profile on all Medicare beneficiaries.

7.10 Recovery Audit Contractor

Under the Medicare Modernization Act (MMA), CMS began a demonstration project with Recovery Audit Contractors (RACs) to identify improper Medicare underpayments or overpayments and to recoup overpayments. RACs are paid on a contingency fee basis, receiving a percentage of what they identify and collect in overpayments from providers. The demonstration originally began in California, Florida, and New York. Plans call for the RAC to be nationwide by April, 2008, but it will not be in all states with all claims types until 2010. Nationally, there will be four RACs regions that will be configured in the same manner as the DME MAC jurisdictions.

Since Medicare claims processors will continue to review claims in the current fiscal year, each RAC will work on claims that are at least one year old. Using an audit plan developed especially for Medicare, the RACs will analyze claims that have a tendency to be incorrect despite clear guidance from Medicare. This includes occurrences where Medicare is not the primary payer, complicated payment calculations, and complex procedure codes or services that are “bundled” as required by statute. The RACs will request claim history and medical records, if necessary, to determine if overpayments/underpayments exist. If an overpayment is detected, the contractor will pursue payment and will be reimbursed a percentage of those recoveries. For underpayments, the RAC will provide the necessary documentation to the Medicare claims processor for processing payment to the provider.

The MAC will need to negotiate a Joint Operating Agreement (JOA) with the RAC covering the interaction and responsibilities of both parties. The Jurisdiction Implementation Lead will provide the MAC with a sample of a JOA for use in negotiating an agreement with the RAC.

7.11 Medicare Secondary Payer Recovery Contractor

The Medicare Secondary Payer Recovery Contractor (MSPRC) will handle all Medicare Secondary Payer (MSP) recovery work for Group Health Plan (GHP) and Non-Group Health Plan (NGHP) debts. The MSPRC has taken over new MSP recovery claims and most existing claims. However, some existing MSP recovery claims will remain the responsibility of the MAC. Provider, physician, and other supplier MSP recovery claims will continue to be the responsibility of the Medicare claims processor that processed the underlying Medicare claim. As such, the existing process for recovering debts where the provider, physician, or other supplier is overpaid due to receiving a duplicate payment from both an insurer or workers' compensation carrier and Medicare will not change. The MAC does not need to negotiate a JOA with the MSP Recovery Contractor.

Chapter 8: TESTING

8.1 General

One of the most important activities in any workload implementation is testing. Testing is a large undertaking and various test activities will go on throughout the implementation period. Carriers and intermediaries who have gone through workload transitions in the past have continually stressed the importance of thorough and repeated testing—“an ounce of prevention is worth a pound of cure.” The MAC should not underestimate the time and effort needed to create a test plan, develop test cases, and establish and train the test team prior to the actual start of testing. CMS will review test results and documentation throughout the implementation to ensure the proper functioning of the MAC’s claims processing system and operational environment prior to cutover. Successful completion of testing activities will be necessary in order to obtain approval from CMS for each segment cutover.

8.2 Test Plan

The MAC must develop and maintain a comprehensive test plan for each segment implementation. The plan will provide a detailed narrative describing the activities necessary to test the MAC’s processing environment and operational readiness. The test plan should encompass shared system and non-shared system components. It must ensure that all activities are identified, roles and responsibilities are clear, rules for testing are established, and a consistent approach is used by all who support the testing effort. The associated major testing tasks will be incorporated into the Jurisdiction Implementation Project Plan (JIPP) and Segment Implementation Project Plan (SIPP).

An overall discussion of the MAC’s testing activities should be submitted as part of the MAC’s proposal. The plan should describe the MAC’s general approach to testing and should discuss resources, types of tests, and schedules. A comprehensive segment test plan should be developed for each segment within 30 days of the segment kickoff meeting. The finalized segment test plan will be submitted to the CMS Jurisdiction Implementation Lead for review and approval. The segment test plan will be the basis for CMS’s approval to begin each segment cutover, once all system and operational functions have been tested and any issues resolved.

The test plan should encompass the scope and approach, roles and responsibilities of the various entities involved, types of testing, resources and management, schedule, processes/documentation, and risks. These components are discussed below. The test plan should attempt to balance the scope and desired quality against the timeframes and available resources, while also minimizing risk to the project.

All entities interacting with the MAC's Medicare operation (data center, CWF, CMS, functional contractors (e.g., PSC), trading partners, and claims submitters) should be included within the scope of the plan. The MAC must meet with its EDC, any IT services provider, and other entities to coordinate test schedules and to define roles and responsibilities during testing. Testing tasks will be updated as part of the bi-weekly Segment Implementation Project Status Report.

8.2.1 Scope/Approach

The scope of the test plan should define what is to be tested and the approach that the MAC will take to perform testing activities. It should discuss any assumptions that are being made and constraints that may influence the project. The management approach of the testing activities should also be described. The following should be considered in defining the scope of the MAC's implementation testing:

- Communication and network facilities;
- Hardware; and
- Software. This would include the shared system application, non-base system components such as interfaces and any standalone or proprietary non-base applications used by the MAC.

8.2.2 Roles and Responsibilities

The plan should detail the roles and responsibilities of all of the various entities involved in the testing. The MAC must ensure that all entities are in agreement with their participation and activities in the testing project.

8.2.3 Types of Tests

There are a number of different tests that may be used during an implementation to validate the areas defined in the scope of the testing project. Some of the tests that have been used for Medicare workload implementations are described below. Not all tests may be applicable to every segment implementation. The MAC testing activity in sum will determine the operational readiness of the MAC for cutover. Testing terminology may vary from entity to entity and several types of tests may be performed together. The MAC should ensure that everyone involved in the testing process understands the purpose and procedures for the test.

8.2.3.1 Connectivity/Shared System Validation

This area of testing will ensure that there is connectivity between the MAC operational site(s), the CMS-designated Enterprise Data Center (EDC), and any IT facility that will support the MAC (e.g., front end and/or back end applications or services). The MAC's access to CMS and other entities (PSC, QIC, keyshop, etc.) must also be established and tested. Testing must verify that regions are properly configured (production, test, training, etc.), that there is access to the regions, and that any supporting third party

software is installed in the proper regions. The MAC will also ensure that the online and batch components of the Medicare shared systems are properly installed and that data files are available to test.

The MAC must make certain that all authorized individuals have proper access and that data center processes (regions, operation control files, problem reporting, etc.) and security protocols are in place. There should be verification of the various screens and transactions should be entered to ensure system stability. The batch portions of the shared system will also be tested by running multiple daily cycles (and weekly, monthly, and quarterly) to verify that the job flow is correctly established and that data files are present.

8.2.3.2 File Conversion

If there are any files or data to be converted during the implementation, the MAC must verify the data field values and test the converted files to insure that data is properly converted. This may be done via online and batch cycles. The MAC must work with the maintainers to resolve any conversion issues and verify any subsequent reconverted data.

8.2.3.3 System Testing

The system tests will test the full capabilities of the base shared systems and non-base “add-ons.” It verifies that the system requirements are satisfied and that the system is functionally and operationally correct from the user’s perspective. Daily/Weekly/Monthly/Quarterly/Yearly cycles, through payment cycles, are run in the MAC’s test region. MSNs and Remittance Advices are printed as necessary for those test cases requiring verification of printed output. System testing should cover all areas such as online entry, suspense, data validation, processing cycle and adjudication, correspondence, inquiry/customer service, CWF processing, financial processing, file maintenance, history, and reporting. All outputs are verified complete and correct. This type of testing may also be known as functional testing.

8.2.3.4 Interface Testing

Each interface to the shared systems must be tested. This is necessary to verify that all of the interrelated systems operate as intended within an operational environment. The MAC is responsible for the coordination and testing of all interfaces with other entities in order to ensure a correct data flow to and from the Medicare shared systems. Typical interfaces are shown below, but the list is by no means all-inclusive.

- CWF,
- Bank (EFT, check issues, check clears)
- OCR and imaging interfaces
- Trading partners,
- EMC formats,
- Claim and eligibility crossover formats,

Exhibit 6 Sample Post-Cutover Workload Report

Post-Cutover Workload Report													
MAC Name													
Date													
Date	Pending	Rec	Proc	CWF	Denied	Suspend	DOH Claims	DOH Corr	DOH Appeals	Bene Checks	Bene\$	Prov Checks	Prov\$
9/1/04													
9/2/04													
9/3/04													
9/6/04													
9/7/04													
9/8/04													
9/9/04													
9/10/04													
9/13/04													
9/14/04													
9/15/04													
9/16/04													
9/17/04													
9/20/04													
9/21/04													
9/22/04													
9/23/04													
9/24/04													
9/27/04													
9/28/04													
9/29/04													
9/30/04													

8.2.3.7 Volume Test

A volume test is basically a stress test for the claims processing system. The test is performed on the batch system to verify that data files are appropriately sized to accommodate the MAC's claim volume and that the EDC has the appropriate hardware to handle an abnormally large volume of claims. In its test plan, the MAC must identify the data to be used as input to the batch cycle and identify success factors. Generally a triple batch (i.e., three times the average batch size) is used for the test. Production files for electronic claims are used as input to the test.

8.2.3.8 Release Testing

Release testing involves testing the changes being made to the Medicare standard claims processing systems. Release testing follows a standard testing process which defines the specific steps that every system change must go through before it can be placed into the MAC's shared system production environment. During the segment implementations, the MAC may receive shared system releases that must be installed prior to, or concurrent with, a cutover. As such, the MAC will be required to develop release test plans and incorporate them into the overall implementation test plan.

8.2.3.9 EMC Testing

Regardless of the method of transmission of claims information, all submitters must electronically produce accurate claims. The testing of the EMC process is a critical part of the overall implementation test plan and it is during testing when submitters find errors, omissions, and conflicts within their systems. Testing allows these problems to be corrected before the actual standard transactions are used after cutover.

Testing with vendors, suppliers and providers involves exchanging files and validating that data integrity is maintained throughout the exchange. Submitters should send the MAC a test file containing a minimum of 25 claims, which are representative of their practice or service. The MAC will then subject the test claims to format and data edits. Format testing will validate the programming of the incoming files and includes file layout, record sequencing, balancing, alpha-numeric/numeric/date file conventions, field values, and relational edits. Data testing will validate data required for specific transactions, e.g., procedure/diagnosis codes, modifiers.

It is imperative that the MAC contact EMC submitters through its communication and educational plan to inform them about testing opportunities and protocols. The MAC should provide detailed information regarding submitter testing and coordinate test schedules. Continuous follow-up with the submitter should take place if it is found that testing is falling behind schedule. CMS will be monitoring EMC testing closely and will be especially concerned about the testing status of large providers.

If the MAC cannot perform sufficient testing due to time constraints or other considerations, it may be possible to arrange with the outgoing contractor to act as a

clearinghouse. The outgoing contractor would continue to receive claims after cutover until such time that the MAC can successfully accommodate all current and new EDI and DDE submitters. Using this contingency, the MAC would test with the outgoing contractor to ensure that all EMC claims are being received successfully.

8.2.4 Resources

The test plan should detail both physical and human resources needed for testing. It should describe the organizational structure of the testing team, the functions to be performed, and how many people are needed to satisfy the objectives of plan. Also, any training or preparation needs should be considered. The plan should describe any additional hardware, software, or security necessary for test activities. Other considerations to be addressed include: which shared system environment (test or production) will be used; if usage will differ depending on the type of test; and how often the system environments have to be available and at what specific times.

8.2.5 Schedule

The MAC needs to detail the tasks and schedule for test activities. The tasks, dependencies, duration and resources required for each task should be provided. The timing for tasks—start date, completion date, milestones dates, etc. must also be included. On a more detailed level, the MAC will need to coordinate the test cycle timing for the various areas to be tested such as EMC, batch cycles, payment cycles, CWF, crossovers, etc. The major test activity and tasks associated with them will be incorporated into the JIPP/SIPP.

8.2.6 Processes and Documentation

The plan must outline how the testing will be conducted. It should discuss the methodologies and procedures for conducting tests and any subsequent retesting. A test bed of cases and scripts for all areas should be developed with defined objectives and expected results. Management activities, such as how testing will be incorporated into the workgroup structure, internal meetings, reporting, and distribution, should be detailed. How issues/errors will be tracked, reported and resolved (i.e., problem log) must also be part of the plan. Deliverables and documentation (screen prints, file dumps, reports, EOMBs, MSNs, RAs, checks, correspondence, etc.) should be listed. The plan should also show who will review and approve test results and provide a description of any quality assurance activities.

8.2.7 Risks

The MAC should identify any test-related risks that may occur during the implementation and identify mitigation actions to reduce the likelihood that the risk will occur. The MAC will also need to develop contingency plans should mitigation actions not be effective.

Chapter 9: CUTOVER

9.1 Definitions

Cutover

The actual point at which the outgoing carrier or intermediary ceases Medicare operations and the MAC begins to perform those functions.

Cutover period

The period of time surrounding the actual cutover. It usually begins 10-14 days prior to the cutover and ends with the MAC's Segment Operational Start Date, defined as the day that the MAC begins normal Medicare operations for the segment workload that it assumed at cutover. During the cutover period the outgoing carrier/intermediary makes final preparations to shut down its operation and transfer its claims workload and administrative activities, and the MAC makes final preparations for the receipt and utilization of Medicare files, data, and acquired assets. The activities that occur within the cutover period and shown on the cutover plan (see **Chapter 9.2** below) are normally referred to as cutover tasks.

Post-Cutover

Post-cutover is a CMS-designated period of time beginning with the MAC's segment operational date. The post-cutover period is when CMS will monitor the MAC's operations and performance closely to ensure the timely and correct processing of claims for the workload that was transferred. CMS will also track any open SIPP/cutover plan issues and track resolution of any problems associated with the implementation. The post-cutover period is generally three months, but it may vary in length depending on the success of the implementation. Post-cutover activities are described in **Chapter 10**.

9.2 Cutover Plan

The MAC will be required to submit a cutover plan for each segment workload that will be moved. The cutover plan is an expansion of the cutover tasks that are shown in the MAC's SIPP. The plan should be submitted to CMS for review no later than 45 days prior to the actual segment cutover. There are a number of factors that will influence the cutover plan. Planning should be done well in advance to ensure a smooth transition.

The cutover plan shall be a separate document from the SIPP. It will contain very detailed and specific information, showing tasks at a very low level, and it may be detailed to an hourly level at times. Many contractors use the plan as a checklist and to script the events and deliverable dates during the cutover period. The cutover plan must be developed jointly with the outgoing contractor, along with input from the EDC, the

PSC, and any other entity that will be playing a significant role in the actual transfer of the segment workload. After a draft has been developed, many MACs have found it helpful to have a teleconference with all parties involved in the cutover to walk through the plan. Each cutover task will be discussed so that all involved understand what specific activities will be taking place and at what times.

The cutover plan should show the responsible organization, any JIPP/SIPP task number, the responsible workgroup, the task description, start and finish times, status, and comments. All entities must agree on the schedule and the tasks to be performed so that there is no confusion regarding time frames, the specific cutover responsibilities for each party, items to be transferred, and terminology. The MAC has the responsibility for preparing the cutover plan and submitting it to CMS. The plan must be distributed to all involved parties, transition team members, and workgroups. The plan should be updated daily when the segment cutover period begins.

9.3 Cutover Workgroup

A cutover workgroup will normally be established to manage cutover activities. It should be composed of representatives from the MAC, outgoing carrier/intermediary, and other involved parties; e.g., EDC, shared system maintainers, etc. The workgroup will be responsible for cutover planning and scheduling, developing the cutover plan, and facilitating the data migration. As with all workgroups, it should be established in accordance with **Chapter 3.6**. Since the activities of the workgroup are centered on the cutover, the workgroup will not need to be established when the other workgroups are formed at the kickoff meeting. However, the MAC may find it helpful to have the workgroup lead designated at that time. The cutover workgroup will normally be formed three to four months prior to cutover.

The cutover workgroup will need to be aware of all of the other workgroups and their activities. It is important that all workgroup meeting minutes and issues/deliverables logs are forwarded to the cutover workgroup lead. The group must be informed of any decisions made by the MAC Segment Project Manager, the carrier/intermediary Closeout Project Manager, or other workgroups which will impact the manner or circumstances of the transfer of the segment workload. The other transition workgroups will provide input to the tentative cutover tasks and timing developed by the cutover workgroup. They will propose additions and/or deletions to the task list and recommend any schedule change. With the input from all of the other workgroups, the cutover workgroup will coordinate the cessation of activities (file changes, mail, etc.), determine the necessary production interruptions (EMC, OSA queries), establish dark days, and schedule and monitor the actual transfer of files and assets.

As with any other workgroup, cutover meetings will be held weekly and the agenda will follow the same format, including discussion of cutover issues, action items and accomplishments. Meetings should also discuss transition task progress, current inventories, risk evaluation, file transfer, and any facility or human resources updates. All issues that are identified by CMS, raised in the status reports or workgroup minutes,

or raised in any other forum, must be placed on the issues log documenting cutover issues and discussed at each workgroup call.

9.4 Daily Cutover Meeting

Approximately 10-14 days before cutover, the MAC should begin daily cutover teleconferences with the outgoing contractor and the other parties involved in the transition. The purpose of the meeting is to go over the cutover plan and the daily events that are scheduled to occur. Calls should be scheduled in the morning and normally will be brief in length. Participants will review the cutover plan checklist of activities scheduled for the day and determine if tasks scheduled for the prior day(s) have been accomplished. The meeting will also discuss activities for the upcoming day to ensure that everyone is in agreement as to what needs to be accomplished. In addition, the meeting should review any problem log or issues identified by any of the other workgroups that pertain to the cutover. Some incoming contractors have found it helpful to have an additional cutover meeting in the afternoon beginning several days prior to cutover in order to monitor the increasing number of activities that take place throughout the day. The MAC should prepare a brief synopsis of the daily cutover meeting and highlight any issues or action items. The cutover plan should also be updated prior to the next daily meeting.

Key personnel involved in the cutover should have a backup means of communication so that they may be able to be reached in case of an emergency. Cutover meetings will continue on a daily basis through at least the first week of post-cutover segment operation. At that point, CMS will make a decision as to the frequency of the meetings.

9.5 Provider Progress Report

It is expected that the MAC will be monitoring the percentage of completed EFT forms during the implementation. Normally, when the cutover period begins, CMS will require the MAC to provide daily EFT statistics as part of a Provider Progress Report. The EFT statistics will show information such as the number of providers, the total number of forms returned, total verified, forms with missing information, percentages, etc. The report will help the MAC focus on its efforts to ensure that all EFT providers complete the necessary CMS-588 prior to cutover and will allow CMS to monitor progress and direct additional efforts if necessary.

The report should also provide CMS with the status of provider and trading partner EDI activities. This would include numbers and percentages of provider documentation received and testing information such as test/production set up and completion. In addition, for a Part A segment, the report should show any DDE provider information such as registrations received, security forms returned, and testing status.

9.6 System Dark Days

One of the issues for discussion and resolution during the transition will be the number of system “dark days” that will occur at cutover.

During the cutover period, the outgoing contractor must complete all billing cycles, validate payments, cut payment checks, and prepare financial and workload reports prior to the actual cutover and the end of its Medicare contract. The MAC must verify that all telecommunications, hardware, software, and equipment are installed, tested, and properly functioning after the cutover. In addition, the MAC will need to run cycles to checkout the transferred files and claims processing functions. The EDC will also be changing contractor numbers or identifiers for reports, database tables, etc.

The time that it takes to accomplish the aforementioned activities will vary from one transition to another. Cutover normally occurs during a weekend at the end of a month; however, if the outgoing contractor is on HIGLAS, cutover will need to be in the middle of the month. Most of the time, two weekend days is insufficient to complete all of the cutover activities. If such is the case, then a “dark” day or days will be required.

A dark day is a business day (Monday-Friday) during the cutover period when the Medicare claims processing system is not available for normal business operations. There is no online access or capability, providers cannot access the system, current claim information cannot be provided, there is no direct data entry (DDE), and claims cannot be processed.

System dark days may occur between the time the outgoing contractor ends its final batch cycle and the MAC begins its first day of normal business operations for a segment. Providers may submit EMC during dark days. Other than claims that may be processed as part of the system checkout, EMC will be held and processed after cutover, normally on a staggered basis during the MAC’s first week of operation. Hardcopy claims may be keyed, but only if stored and submitted when regular processing cycles have begun. While Customer Service Representatives (CSRs) could field certain inquiries during a dark day, normally there is no customer service available. IVR information will be limited to information from the final run of the outgoing contractor until completion of the MAC’s first cycle.

Some cutover schedules may include a “dim” day. A dim day is a business day where there is some limited access to the system. It usually occurs after the actual cutover when the incoming MAC is validating its system and checking out its operation. As various components and portions of the claims processing system are validated, they will become available for access by providers. Providers may have some capability with direct data entry (DDE) and they should be able to get information from the IVR. Customer service representatives may also be able to respond to some inquiries.

The MAC, in conjunction with the outgoing contractor, EDC, HIGLAS (if applicable), and shared system maintainer, must develop a cutover schedule and agree to the number of dark days that will provide sufficient time to accomplish all of the cutover activities. The number of dark days that are necessary will vary depending on the calendar, the size of the outgoing contractor, the length of time required for the outgoing contractor’s final cycles and closeout activities, and the various other cutover activities that may have to be performed by other functional contractors.

Most cutovers will require one or two dark days, but some cutovers may require more. CMS must be involved in the dark day discussions and will have final approval of the number of dark days for the outgoing contractor and/or the MAC. The approval will be part of CMS's overall approval of the cutover plan. It will be based on the reasonableness of the involved parties' proposal, as well as assurances that providers were considered in the decision.

CMS expects that the MAC will post cutover information frequently on its web site and make listserv announcements to providers/suppliers regarding the cutover sequence, the number of scheduled dark days and their effect on claims submission, the availability of IVR and CSRs for inquiries, the availability of ERAs, the availability of EFT, and when the EDI Helpdesk will be available.

9.7 Release of the Payment Floor

Discussions regarding the need to release the payment floor usually begin in the Cutover workgroup. The release of the payment floor during the cutover period eliminates the need to transfer adjudicated claims waiting to be paid from the outgoing contractor to the MAC. Depending on the circumstances of each segment transition, the payment floor may or may not be released.

CMS has determined that the payment floor will be released in the following situations:

- HIGLAS involvement during any Part A or Part B segment cutover.
- Changes to the Part B MCS system during the cutover of a segment (e.g., splits, merges).

For Part A segment transitions that do not involve HIGLAS, or for Part B segment transitions that do not involve HIGLAS or any MCS changes, the floor normally will not be released.

CMS must formally approve the release the payment floor. The incoming and outgoing contractors will develop a written plan for the release of the floor and its reinstatement. The plan will provide the reason for the release and describe the process and timing of the release. It should also analyze the impact that the release will have on the carrier/intermediary's other operations (EFT, ERAs, etc). In addition, the carrier/intermediary will need to discuss how the providers will be affected and how payment information will be communicated. If the floor will not be immediately reinstated by the MAC at cutover, there must be some description of how the payment floor will be gradually reinstated.

The MAC and legacy contractor must develop a sample communication to be distributed to the provider/supplier community. The sample communication will be distributed to the provider community by listserv and other means. It will address the change in payment schedule and the impact on the issuance of ERAs, paper checks, and EFT. It also should contain an explicit reminder that during the 14-day period following cutover,

providers may experience lower, or no, payment amounts because claims submitted prior to the cutover were paid earlier than normal.

9.8 Data Migration

During the cutover period, the outgoing contractor (and any other party that may be sending files to the MAC) will prepare and transfer all Medicare files and records to prescribed locations detailed in the file transfer plan. This plan will be developed by the carrier/intermediary and the MAC, with input from any other party that will be sending files to the MAC or who will be receiving files from the outgoing contractor during the transition.

9.8.1 Final Inventory

The outgoing contractor will provide the MAC with an inventory of all files and records that will be transferred to the MAC and any other organization involved in the transition (see **Chapter 6.8**). During the cutover period, the outgoing contractor will finalize its file inventory. The final inventory will give a description of each file, including contents, size, etc. The inventory list will be used by the workgroups or project managers to determine where files and records will reside after cutover. If there is more than one operational site for the outgoing contractor, an inventory must be prepared for each site. Any files that will be split and moved to another MAC or organization during the transition period must be identified.

Once the inventory has been finalized, files should be verified to determine the quality of the inventory results. If records are not electronic, physical sampling should be performed to confirm the accuracy of the information recorded on the inventory form. The MAC should also verify, to the extent possible, that all required updates to records have been made by the outgoing contractor prior to transfer.

9.8.2 File Transfer Plan

The MAC and the outgoing contractor will develop a file and record transfer plan using the outgoing contractor's finalized inventory. Files may be 1) transferred to the MAC's facility (or some other Medicare contractor) for support of its operation; 2) kept at the existing operational site or existing storage facility with transfer of ownership; 3) sent to a MAC storage facility or contracted storage facility; 4) transferred to another MAC (e.g., another MAC will have responsibility for storing and accessing co-mingled carrier/intermediary records; or 5) in the case of duplicative files, destroyed. A schedule with shipping dates will be developed for any files to be moved. A meeting should also be scheduled with the MAC and the storage facility to discuss transfer activities and access.

Certain files may be commingled with other states that are not moving to the MAC and will continue to be serviced by the carrier/intermediary. The carrier/intermediary will maintain possession of those files and the MAC and carrier/intermediary will negotiate a data access agreement.

The file transfer plan should describe the files and records to be transferred by type (suspense, EMC, audit and reimbursement, MSP, etc.) and destination. It should also establish a schedule for the transfer of the workload with shipping dates and times. In addition, it should provide the cutoff dates that the outgoing contractor will stop updating or processing particular types of claims or files. The plan should also provide a description of the method of data transfer (e.g., tapes, NDM), transfer protocols, manifesting, packaging, and labeling all claims and correspondence. Workload may be transferred in phases rather than all at one time, especially if there is serious staff attrition in certain areas of the outgoing contractor's operation. This possibility should be accounted for in the MAC's risk management plan. CMS must be provided a copy of the final file transfer plan at the beginning of the cutover period.

The MAC should work with the outgoing contractor to insure that all required updates to files are made prior to transfer. A test transfer of files should be made prior to cutover and the MAC must test transferred files as part of its system checkout at cutover.

9.8.3 File Format

Files scheduled to be transferred to an incoming MAC in an electronic format must not be in a proprietary format which would preclude the use of the data by the incoming contractor. The outgoing contractor must change any electronic files stored in a proprietary format to a standard or flat file format prior to transfer to the incoming contractor.

9.8.4 Packing

The transfer plan should provide for early packing of as many operational files as possible without any negative impact on the operations of the outgoing contractor. Normally, records are not all packed and moved at one time. The outgoing contractor will try to pack and ship as many operational files as early as possible while it has the resources to do so, thereby mitigating the possibility of records being packed and/or labeled improperly.

The outgoing contractor should use a labeling system so that boxes are routed correctly to the MAC for operational use or storage. At a minimum, the label of each box of files should display the title of the record series, and the earliest and latest dates of the records in the box. CMS will be monitoring the process of packing and labeling beginning early in the transition process. CMS and the incoming MAC representatives may make periodic on-site visits before files are shipped to make certain that the boxes are properly packed and labeled and that a detailed inventory has been prepared.

9.8.5 Transfer of Hardcopy Files and Physical Assets

The MAC will be responsible for the shipment of files and any physical assets (equipment, supplies, furniture, etc.) that it obtains from the outgoing contractor. The cost of conveyance will be borne by the MAC. It may be beneficial to have a

representative at each of the outgoing contractor's locations from which items will be shipped. These representatives would sample files to verify content and proper labeling and would ensure that items are loaded for the proper destination with the proper invoices. They may also check assets against the acquisition list to verify that all are accounted for and in the proper condition.

9.9 Sequence of System Cutover Activities

The sequence at cutover of the segment will involve the following system activities:

9.9.1 System Closeout

The outgoing contractor will close out its system operations by performing its final batch cycle, final CWF queries, the final payment cycle, and the final weekly, monthly, quarterly, and yearly workload runs. A 1099 file will also be generated. Files will be purged in accordance with applicable instructions regarding time requirements for the retention of Medicare records.

9.9.2 Back Up

The outgoing contractor's data center will backup and verify the final data. The MAC and EDC will determine how long the backup will be available for inquiry after cutover, should it be necessary.

9.9.3 Transfer and Installation

If there is a change in data centers during cutover, files will need to be transferred. This would include preparation of programs and JCL to load the files and data bases. Regardless of any data center change, the final data would be loaded and system changes (user file changes, base system changes to MCS or FISS, release changes, non-base system changes) will be made. Changes could include: MSN and remittance advices, identification number, print/mail interfaces, ARU/IVR scripts, etc.

9.9.4 Data Conversion

The MAC may receive files that will need to be split, merged, or converted during cutover (e.g., workload or financial files). After conversion programs have been run and the production environment has been populated with converted data, the MAC will validate the conversion output.

9.9.5 Initial System Checkout

An initial system verification will be performed by the MAC. It will verify on-line connectivity and that the production system can be accessed. The transfer and availability of files will be checked, as will customer interface processes. The MAC will also determine if hardware, software, and equipment is installed and operating properly.

9.9.6 Functional Validation of System

The MAC should run cycles over the cutover weekend to check out operational functionality. This would include on-line data entry, claims activation, file verification (files accessible, formats proper, information correct), inquiries, batch processing, and testing. The first validation cycle may run conversions for claims and correspondence that were pending after the outgoing contractor's last cycle. After the cycle data is validated, another cycle may be run to process claims entered specifically for the validation, correspondence, and backdated EMC files that were received and held during the outgoing contractor's cutover activities. The MAC will verify system output after each cycle and will then make a decision whether or not to begin normal business operations for the segment.

9.9.7 First MAC Production Cycle

The first production cycle will be run after the first day of normal business operations and the output will be validated. The cycle will include input from all functional areas and any additional EMC held from the cutover period, as well as OCR/ICR and DDE. All aspects of the system should be verified; e.g. data entry, edits/audits, suspense, correspondence, adjustments, inquiry, etc. Interfaces and data output that will be transmitted must also be verified (EFT, EMC, CWF, etc.). All print/mail functions will be validated, including checks, remittance advices, MSNs, automated correspondence, and reports.

9.10 Reporting

The outgoing contractor is responsible for the completion of all monthly and quarterly reports through the end of its Medicare contract. If the outgoing contractor leaves before the end of a quarter, it must complete all reports through the month of cutover (or through the day of cutover if the outgoing contractor leaves mid-month.) The MAC is responsible for completing all quarterly reports beginning with its first cycle run after cutover. Therefore, if an outgoing contractor does not leave at the end of the quarter, an agreement must be reached with the outgoing contractor for the sharing of data so that the MAC can produce a quarterly report.

9.11 Cutover Communication

Communication with providers and submitters regarding the cutover and its impact is absolutely essential. This cannot be overstated. It can mean the difference between the provider community perceiving the transition to be a success or failure. Providers must be informed constantly and by numerous methods about the cutover and how their payments will be affected.

Cutover information should be part of any provider workshop/seminar and should be included in any provider bulletins or notices. A special mailing on optic-colored paper several weeks prior to cutover may be extremely helpful in reminding providers/

submitters about the upcoming cutover and the change of Medicare contractor. At a minimum, the following cutover information should be provided:

- Cutoff date for the submission of EMC and paper claims, redetermination requests; cost reports/appeals, audits, quarterly PIP data, etc., to the outgoing contractor;
- Last day the outgoing contractor will make bill/claim payment;
- Last date the outgoing contractor will have telephone and customer service for providers and beneficiaries;
- The date the last outgoing contractor bank file is sent to the bank
- The first day the MAC will accept EMC claims;
- The first day the MAC will accept paper claims;
- The date when the MAC will begin the bill/claim payment cycle and when the first payments (EFTs and checks) will be produced based on the last outgoing bank file; and
- The date when the MAC will begin customer service for beneficiaries and providers and the location of these services.

Chapter 10: POST-CUTOVER

10.1 General

Post-cutover is the period of time after cutover that CMS closely monitors the MAC's operations and performance to ensure that the implementation and cutover have not affected operations or performance. CMS will monitor workload and operational processes and will track any open issues or reported problems associated with the implementation. The post-cutover period is normally three months, but it may vary in length depending on how well the MAC has incorporated the segment workload into its operations.

10.2 First Day of Segment Operations

The MAC may find it helpful to have experienced management and/or clerical staff to walk the floors on the first day of normal operations. Floorwalkers have proven to be very helpful assisting staff in answering questions, navigating new screens, and helping with system security protocols and sign-on procedures. They can also be helpful to staff who have moved to a new facility and need to familiarize themselves with the location, obtain supplies and other work materials, or be trained on new equipment. Floorwalkers also will help identify potential problem areas and issues. A CMS representative may be on-site at the MAC location to check the status of cutover tasks and to monitor operations.

The MAC will be continuously monitoring all aspects of its operation and production during the first day. The phone system should be re-checked to be certain that numbers are in place and that communication equipment is functioning properly. Call volume and the nature of calls will also be assessed. Mailroom operations will be monitored to verify that mail is being received and that equipment such as OCR/ICR is functioning. The MAC should also check that forms are correctly formatted and that there are no problems with local printing. The ARU/IVR should be monitored to make sure that scripts have been changed and the device is communicating properly. It is possible that the MAC will also be receiving shipments of files and/or equipment during the first day of operation, which will necessitate storing or unpacking and verifying contents.

10.3 Post-Cutover Monitoring

During the weeks after cutover, the MAC will be closely monitoring all aspects of the segment operation. Production cycles, inventories, call volumes, denials, suspense, rejects, and other workload indicators should be monitored to determine if there are any implementation-related production problems. The MAC should analyze workload by the various areas and points within the system and take corrective action on problems that are causing excessive errors, rejects, or suspensions. The MAC will also track post-cutover

performance goals to determine if any triggers have been reached and implement the appropriate contingency plans detailed in its risk response plan.

A key activity during the first week will be to check financial output from the first post-cutover payment cycles. A sampling of checks should be performed to verify proper payment and printing. The timely mailing of checks released from the floor should be monitored, as should the transfer of electronic funds (EFT) to the appropriate banks. Other printing such as Remittance Advices and Medicare Summary Notices may also be evaluated. The MAC should finalize any asset transfer by reimbursing the outgoing contractor for the value of transferred assets and entering the transferred items on its depreciation schedule. In addition, the MAC may also perform quality assurance on work flow processes and procedure adherence. Report flow and accuracy may also be examined. During the week the MAC will assess whether any remedial training for staff is necessary and structure educational needs based on its findings.

Daily cutover teleconferences with all participants will continue for at least the first week. CMS will then make a determination if the daily calls will continue, or if a weekly meeting will be sufficient. There will normally be a few open issues that were not resolved prior to cutover that will need to be tracked. In addition, new issues may be found. Open issues must continue to be worked by the responsible parties until satisfactorily resolved. The MAC is responsible for continuing to track open issues during the post-cutover period and should provide an updated issues log to the transition participants. After the issues log has been completed, if any problem arises which is thought to be transition-related, it should be promptly relayed to the CMS Jurisdiction Transition Coordinator, who will determine if the issue warrants a resumption of daily/weekly teleconferences.

10.4 Workload Reporting

After cutover, CMS needs to ensure there is no degradation of performance to the provider/beneficiary communities. Therefore, the MAC must provide a daily workload report for at least two weeks after each segment cutover. At the end of two weeks, the frequency of the reporting will be assessed by CMS and a decision will be made either to continue daily reporting or begin weekly reporting. Weekly workload reporting will continue for three months after cutover unless directed by CMS.

Exhibit 6, Post-Cutover Workload Report, shows a sample of the type of workload information that CMS will require. The Jurisdiction Implementation Lead will provide the MAC with the actual format to be used. The report will provide information on claims pending, claims processed, denials, correspondence inventory, days work on hand, call volumes, call service levels, all trunks busy, and average talk time, etc. CMS may also request additional performance data to be submitted by the MAC during the post-cutover period.

10.5 Assistance with Outgoing Contractor Closeout Activities

If the outgoing contractor's staff has been hired by the MAC (or if there is a subcontracting/partnering arrangement), the outgoing contractor may request that some of its ex-employees be allowed to perform various contract closeout activities (mostly financial) that occur after the outgoing contractor has ceased operations. Usually this assistance is not that labor intensive or burdensome and incoming contractors have been willing to provide this help. However, a Memorandum of Understanding (MOU) should be developed describing the activities to be performed, the staff required, and the associated costs to be borne by the outgoing contractor for this support.

10.6 Access to Files and Records after Cutover

The outgoing contractor may have a need to access Medicare files and records after the cutover in order to meet certain audit or reporting responsibilities or to respond to litigation that may be in process. If such is the case, the outgoing contractor will need to negotiate a data sharing agreement with the MAC regarding access to the Medicare files/records that were previously in its possession. An agreement detailing the protocols and responsibilities of each party and the associated costs should be executed. CMS must approve the MOU that is developed and must approve any request by the former carrier/intermediary for access to Medicare files/records.

10.7 Lessons Learned

When implementation issues have been resolved and operations stabilized, the MAC should develop a lessons learned document. Lessons learned are generally prepared 4-6 weeks after cutover. The MAC should conduct its internal review of the project with input from the workgroup heads and other key transition personnel. The lessons learned document should be structured using the major implementation tasks of the SIPP or the major areas reported on the bi-weekly segment project status report. It should analyze what activities were successful and why, and discuss those activities that need improvement. The MAC will submit a copy of its lessons learned to CMS.

Other organizations that participated in the transition will also be asked to prepare lessons learned and forward them to the MAC. The MAC will then create a single lessons learned document that will be a compendium of the segment implementation activities that were successful and those that need improvement. This document will be the basis for discussion during a post-project review meeting (see **Chapter 10.8**) and used as a learning tool in future transitions. It should be distributed to all participants at least a week prior to the post-project review meeting. This will allow time for review, expedite the meeting, and facilitate discussion.

CMS encourages all participants to be honest and forthright in their assessment of the project. Although preparation of the document is one of the last tasks on the project schedule, lessons learned should be documented throughout the project as they occur, rather than waiting until the completion of the transition.

10.8 Post-Project Review

Approximately six weeks after cutover, a post-project review meeting will be held to discuss lessons learned from the transition. The meeting will generally be held via teleconference, but it may be held in person depending on the circumstances of the transition. The MAC will have the responsibility for organizing the meeting and providing toll-free telephone lines. The meeting should cover each major area of the transition and focus on the actions, methods, and processes used during the transition. The consolidated lessons learned document developed by the MAC will be the basis for meeting. Those activities that went well should be reviewed and activities that need improvement should be discussed, along with suggested remedies. Hopefully, the meeting will provide insight and generate ideas for the improvement of future transitions. Discussion should be frank and honest, with no areas off limits. Feedback should focus on processes, not personalities. The participants should be able to discuss the impact of any action or problem encountered and provide suggestions for improvement.

10.9 Implementation Project Closeout

Once all open issues have been resolved, a final issues log containing all encountered and resolved project issues should be sent to CMS. This document will be placed on file along with the lessons learned document and shared with upcoming MACs for insight into potential problems and subsequent resolutions. The MAC should insure that all project documentation is completed and archived. In addition, the MAC may want to conduct an internal project closeout meeting with senior management.

Chapter 11: CMS MONITORING REQUIREMENTS

11.1 Meetings

The MAC will conduct or attend a variety of meetings throughout the transition period. These meetings will help ensure that all parties are informed of the progress of the implementation, are aware of the outstanding issues, and understand what actions need to be taken on their part for the successful outcome of the project.

Due to the large number of concurrent implementations that will be taking place as part of Medicare Contracting Reform, it will be necessary for the MAC to work with CMS when finalizing its meeting schedule. This is ensure that the necessary participants can provide adequate coverage for the meetings. CMS approval is required for the final meeting schedule.

Unless otherwise stated, the MAC should conduct the following meetings during the transition. For those meetings for which it has responsibility, the MAC shall organize, host, obtain facilities, provide toll-free teleconference lines, and prepare and distribute agendas and meeting minutes. Note that the term “biweekly” means every two weeks.

Exhibit 7, MAC Workload Implementation Meeting and Documentation Guide, provides a useful reference of the following meeting information in chart form.

11.1.1 Post-Award Orientation Conference

A post-award orientation conference may be called by the Contracting Officer (CO) if he/she believes that it is necessary. The purpose of the meeting would be to ensure a clear understanding of all contractual provisions and requirements. The CO may also want to discuss any schedule changes or modifications that would be necessary based on events that have transpired after the MAC’s final proposal submission. If the meeting is held, it will normally be within 10 days of contract award. Meeting logistics are the responsibility of the CO. The conference may be held in conjunction the jurisdiction kickoff meeting. See **Chapter 3.5.5**.

11.1.2 MAC Pre-Meeting

A pre-meeting will be conducted by CMS with the MAC prior to the jurisdiction kickoff meeting. The MAC pre-meeting will discuss topics that pertain exclusively or primarily to the MAC such as project expectations, administrative requirements, the agenda and information to be presented at the jurisdiction kickoff meeting, and any issues that have arisen since contract award. See **Chapter 3.5.1**.

11.1.3 Jurisdiction Kickoff Meeting

The jurisdiction kickoff meeting is a one-time meeting, hosted by the MAC, that brings together all of the participants in the transition. It provides the opportunity to meet face-to-face to discuss the overall approach and organization of the project. Participants will provide an overview of their companies and introduce their project teams. The schedule will be reviewed, roles and responsibilities defined, and any concerns or issues addressed. The number and function of the transition workgroups will also be discussed and agreed upon. The MAC has the responsibility to set up and host the meeting, and will work with CMS to develop the agenda. The kickoff meeting is normally held 10-15 days after contract award. See **Chapter 3.5.3**.

11.1.4 Segment Kickoff Meeting

The segment kickoff meeting represents the formal start of the process of moving a carrier or intermediary's workload to the MAC. It is similar to the jurisdictional kickoff meeting in concept, but is focused on the activities surrounding an individual segment transition. There will be a segment kickoff meeting for each segment transition within the jurisdiction. The incoming MAC will host the meeting and be responsible for the logistics of the meeting. CMS will work with the MAC to develop an agenda. The first segment kickoff meeting should take place 10-15 days after contract award and may be held in conjunction with the jurisdiction kickoff meeting. Subsequent segment kickoff meetings should take place 10-15 days prior to the scheduled start date of that segment transition. See **Chapter 3.5.4**.

11.1.5 Jurisdiction Project Status Meeting

This is a biweekly meeting intended for the project leads of the parties involved in the transition, including the overall leads for the MAC jurisdiction, MAC segments, any jurisdiction-wide workgroup leads, CMS, the Medicare Implementation Support Contractor, outgoing carriers/intermediaries, BCBSA, data centers, PSC, and QIC. This meeting is intended to review the status of the overall jurisdiction transition, to ensure that tasks are on schedule and coordinated properly, and to resolve issues that involve multiple segments. These meetings are normally teleconferences, but it may be helpful to hold some meetings in person. The MAC should prepare an agenda at least one day prior to the meeting and distribute meeting documentation (list of attendees, minutes, action items, etc.) within three days after the meeting.

11.1.6 Segment Project Status Meeting

This biweekly meeting is intended for all parties involved in the segment transition to obtain an update on the progress of the project. The parties will review the major tasks of the Segment Implementation Project Plan (SIPP) and receive updates from each of the workgroups. Participants will go through the deliverables and issues logs and review workgroup items. The meeting will discuss issues that have arisen and determine appropriate action if there are delays in task completion, deliverables, or action items.

The outgoing contractor's closeout plan will also be reviewed, along with the relevant activities of the other parties involved in the transition. The segment project status report (see **Chapter 11.2.6.** below) will be used as the basis for conducting the meeting. The segment project status meetings should not be held the same week as the jurisdiction project status meeting, thereby providing some type of project status meeting every week throughout the transition. The segment status meetings are generally held by conference call, although it may be beneficial to have a face-to-face meeting after the kickoff and again prior to cutover. The MAC should prepare an agenda at least one day prior to the meeting and distribute meeting documentation (list of attendees, minutes, action items, etc.) within three days after the meeting.

11.1.7 Transition Workgroup Meeting

The transition workgroup heads will be responsible for conducting weekly workgroup meetings. Workgroups may be established for individual segments, multiple segments, or for the entire jurisdiction. The meetings will be used to review the transition activities applicable to its function, track deliverables, and monitor action item resolution. Problems or issues will also be raised to the appropriate project lead. Workgroup meetings are normally teleconferences, although some may be in person, especially in the beginning of the project or near cutover. See **Chapter 3.6.**

11.1.8 Cutover Meeting

Beginning approximately two weeks before each segment cutover, a daily cutover teleconference will be held. The meeting will review the cutover plan and activities scheduled for that day and resolve outstanding issues. The calls are normally held in the morning and are brief in length. See **Chapter 9.4.**

11.1.9 Post-Project Review Meeting (Lessons Learned)

After each segment transition, the MAC will conduct a post-project review meeting. This meeting will normally be via teleconference unless CMS believes that it should be a face-to-face meeting. The purpose of the meeting is to review those activities that were successful during the segment transition and those that need improvement. Attendees will review the lessons learned documents that will be prepared by all parties involved in the transition (see **Chapter 11.2.17** below). The meeting will take place approximately six weeks after the segment cutover. The MAC will have the responsibility to organize the meeting and provide teleconference access. Also see **Chapter 10.8.**

11.2 Documentation

CMS will closely monitor the MAC and the outgoing carriers and intermediaries during the transition to ensure that the transition occurs on schedule and that all Medicare data and operations have been properly transferred. In addition to a number of documents described in other chapters, CMS requires that the MAC submit the following implementation documents. For convenience, CMS has prepared a comprehensive guide

to all of the documentation required during an implementation. The **MAC Workload Implementation Meeting and Documentation Guide** is found in **Exhibit 7**.

The following documentation is for the implementation period only. The listing contains contract deliverables as defined in the statement of work (Section C) or in Section F of the MAC contract schedule, as well as other documentation required for the oversight of the implementation.

11.2.1 Jurisdiction Implementation Project Plan

The Jurisdiction Implementation Project Plan (JIPP) is submitted with the MAC's proposal. The plan provides an overall description of the major tasks and subtasks required to transfer Medicare data and operations from all of the carriers and intermediaries within the jurisdiction. Changes that occur after the MAC has submitted its proposal and changes that are necessitated as the result of the MAC's contractor assessment/due diligence will need to be incorporated into the JIPP. The MAC must analyze any changes that have occurred since the submission of its JIPP and present a baseline document within 30 days of contract award. This document will be the basis for CMS's monitoring of the implementation. The JIPP is a dynamic document and will be modified as events occur during the transition. The MAC must ensure that CMS is notified of any changes made to the JIPP. See **Chapter 4.3.1**.

11.2.2 Jurisdiction Implementation Project Plan Update

The JIPP will be updated on a biweekly basis. The update will be included with the Jurisdiction Implementation Project Status Report and submitted at least two days prior to the project status meeting. The updated plan should be accompanied by a list of tasks that were completed during the reporting period and a list of tasks that are not on schedule—either they have not started or have not been completed in accordance with the dates shown on the JIPP. When submitting an updated JIPP, many contractors highlight in red those tasks that are not on schedule. The update should also show any tasks that have been added to the plan and any that have been deleted, along with the reason.

11.2.3 Jurisdiction Implementation Project Status Report

This report provides all participants in the transition with an update on the MAC's jurisdiction-wide activities and an overview of the status of the segment implementations.

Because of the number of concurrent MAC implementations that will be taking place during Medicare Contracting Reform, it is necessary to standardize how the MACs will report the status of their implementation activities. While a MAC's JIPP format is structured in accordance with how it will conduct the tasks necessary for establishing its Medicare operations and transferring the outgoing contractors' workloads, information in the Jurisdiction Implementation Project Status Report **must** be reported using CMS's standardized report format. The format utilizes the following seven major work elements of an implementation. Text may be displayed in bullet or narrative format.

- **Project Management**

This element includes organizing project staff and workgroups, preparing the various plans required by CMS, conducting meetings, monitoring and reporting progress, issue/problem resolution, managing costs, and managing risk.

- **Communications**

Activities include communicating with providers, beneficiaries, medical/specialty groups, trading partners, and all other participants and stakeholders in the project.

- **Claims Processing/Operations**

This element involves activities associated with preparing/maintaining the **business environment**. Tasks include preparing operational activities, due diligence, asset inventory, and interaction with other organizations involved in the transition.

- **Systems/EDI**

This area involves establishing/maintaining the **technical environment**, including EDI, voice and data telecommunications, base/non-base applications and services, local hardware/software, and interaction with the EDC.

- **Resources/Infrastructure**

Activities include personnel activities, training, and the preparation of facilities and associated infrastructure.

- **Financial**

This element includes banking arrangements, accounts receivable review, CMS 588 activities, and cost reporting.

- **Cutover/Workload Transfer**

This area includes file preparation, storage, and the activities associated with the actual cutover of Medicare operations and transfer of files.

The Jurisdiction Project Status Report should also include a discussion of outstanding issues and deliverables. Problem resolution and risk mitigation/contingencies should be included in the report, if applicable. If there are tasks that are late, the MAC must discuss the reasons for the delay, the impact to the project, and the steps that are being taken to correct the situation. The status report is due two days prior to the biweekly jurisdiction project status meeting (see **Chapter 11.1.5** above) and will be the basis of discussion for the meeting.

11.2.4 Segment Implementation Project Plan

The Segment Implementation Project Plan (SIPP) provides a detailed list of the major tasks and subtasks required to move the outgoing contractor's workload to the MAC. It should be developed in accordance with the instructions in **Chapter 4.3.2** and must be synchronized with the JIPP. A draft plan should be submitted to CMS 30 days prior to the scheduled start of the segment implementation. The draft should be submitted to all transition team members at least one week before the initial segment kickoff meeting. This will allow attendees time to review the plan and present comments at the meeting. After the kickoff meeting, the MAC will have 30 days to refine the draft Segment Implementation Project Plan and establish a baseline document that CMS will use for monitoring. CMS must approve the baseline plan. The segment implementation will not be static. Tasks will be being added or deleted and dates will be revised based on changes that occur during the implementation period. CMS must be aware of any changes to the tasks shown in the plan and the changes must be reflected in the biweekly SIPP update.

11.2.5 Segment Implementation Project Plan Update

The SIPP will be updated on a biweekly basis. The update will be sent in conjunction with the Segment Implementation Project Status Report and submitted at least two days prior to the scheduled segment project status meeting. There should be a list of tasks completed during the reporting period and a list of tasks that are not on schedule, and the updated plan should highlight those tasks in red. The update should also show new tasks that have been added to the plan and tasks that have been deleted, along with an explanation for the action.

11.2.6 Segment Project Status Report

This report is prepared biweekly and provides the status of the segment implementation. The report should describe the activities that have taken place in the preceding two week reporting period and must be in CMS's standard reporting format (see **Chapter 11.2.3** above). It should also include a discussion of outstanding issues and the status of deliverables. If there are problems or potential problems, the MAC should provide detailed information and provide any resolution measures. Risk mitigation/contingency plans should also be reviewed, if appropriate. The MAC should discuss any tasks/subtasks that are not on schedule. This will be based on the SIPP update, which will be forwarded with the status report. The MAC must discuss the reasons for any schedule slippage, the impact it may have on the project, and the steps that are being taken to correct the situation. The Segment Implementation Project Status Report is due two days prior to the biweekly segment project status meeting (see **Chapter 11.1.6** above) and will be the basis of discussion for the meeting. The report is distributed to all organizations participating in the transition.

11.2.7 Workgroup Meeting Minutes

Workgroup meeting minutes should provide a concise summary of each workgroup's weekly meeting. It should provide the status of the specific implementation tasks for which the team is responsible and list accomplishments. It should discuss action items, the status of requested deliverables, and issues/problems that have arisen. The minutes should also list tasks overdue and any claims processing workload issues that are within the workgroup's purview. Minutes should be distributed within 2 days of the meeting to all members of the workgroup, other segment workgroup heads, the MAC jurisdiction and segment project managers, and CMS.

11.2.8 Segment and Jurisdiction Issues Log/Action Items

Throughout the implementation, each segment workgroup will prepare an issues log/action items list to assist with its transition activities. The MAC Segment Project Manager should prepare a "master" issues log/action items document that will be a compilation of all of the various segment workgroups issues/action items, plus any additional issues/action items that have been identified through other sources. The list should provide an identification number, the date created, a description of the issue/action required, the responsible party, an update of the status, the date of resolution, a full description of the resolution, and any pertinent comments. Some project managers have found it helpful to move a completed item from the ongoing list to a separate "closed" listing once an issue has been resolved or an action taken. The master document should be reviewed weekly and updated as required. It should be submitted with the biweekly Segment Project Status Report.

A similar jurisdiction issues log/action items list should be prepared for those issues or action items that apply to the implementation jurisdiction-wide, not to a specific segment. This document will contain the same type of information as the segment issues log/action items. It should also be updated as required, and submitted with the biweekly Jurisdiction Project Status Report.

11.2.9 Segment Test Plan

The MAC will discuss testing activities in its proposal, which should include a description of its general approach to testing, types of tests, and overall schedule. The MAC will develop a segment test plan for each segment implementation. The segment test plan will be a specific and detailed description of the scope, the roles and responsibilities of the various entities involved, the types of tests, resources, schedules and risks. The plan should be submitted within 30 days after the segment kickoff meeting.

11.2.10 Segment Test Plan Update

The segment test plan will be updated on a biweekly basis. The update will show the status of the various tests and percentages completed. There should be a discussion of any activity that is behind schedule and what is being done to correct the situation. The update should also

discuss if the delay will have an impact on the implementation schedule or cutover. The update should be submitted as part of the Segment Project Status Report.

11.2.11 Segment Cutover Plan

A cutover plan will be developed for each segment cutover in the jurisdiction. The plan will be a very detailed day-by-day plan of cutover activities to be performed by the MAC and the outgoing contractor, as well as other participants in the transition (see **Chapter 9.2**). It will provide a checklist of systems and operational tasks, sometimes to the hourly level, for cutover personnel to follow. The plan should be submitted to CMS for review at least 45 days prior to the segment cutover date. It should be updated on a daily basis during the cutover period and used as the basis for the daily cutover meetings. See **Chapter 11.1.8** above.

11.2.12 Segment Production Workload Reports

After each segment cutover, CMS needs to ensure there is no degradation of performance to the provider/beneficiary community. Therefore, the MAC must provide a daily workload report for at least two weeks after segment cutover. At the end of two weeks, the frequency of reporting will be assessed by CMS and a decision will be made to continue daily reporting or begin weekly reporting. Daily/weekly reporting will continue for three months after the segment cutover unless directed by CMS. CMS will determine the workload data to be submitted by the contractor. A sample post-cutover workload report is shown in **Exhibit 6**.

11.2.13 Segment Communication Plan

The MAC will detail overall communication activities and tasks in its Jurisdiction Implementation Project Plan, which will be submitted as part of its proposal. After each segment kickoff meeting, as the MAC obtains additional information from the outgoing contractor, it will prepare a communication plan specific to that segment. This should be submitted 30 days after the segment kickoff meeting and is the document that CMS will use to track the MAC's communication activities. The plan should identify the various stakeholders, the type of communication, frequency, proposed dates, etc. See **Chapter 12.2**.

11.2.14 Segment Communication Plan Update

The segment communication plan will be updated biweekly. The update will show completed tasks and those that are behind schedule. There should be an explanation as to why the task has been delayed and what is being done to correct the situation. The update should also discuss if the delay will have an impact on the implementation or create a problem with the affected stakeholder's perception of the success of the transition. The update should be submitted with the Segment Implementation Project Status Report.

11.2.15 Risk Management Plan

The MAC will submit a risk management plan with its proposal. The plan should identify potential risks, the probability of occurrence, the impact on the transition, mitigation strategies, and possible contingency plans. As each segment implementation begins, any segment-specific risks obtained from the MAC's assessment/due diligence must be incorporated into the risk management plan within 30 days of the segment kickoff meeting. The modified plan should be submitted to CMS for review and will be used to monitor the MAC's risk management activities. See **Chapter 14.2.4**.

11.2.16 Risk Management Plan Update

The risk management plan should be assessed at least on a monthly basis. Any changes to the plan should be noted along with an explanation of the change. An updated risk management plan should be submitted on a monthly basis with the Jurisdiction Implementation Project Status Report. See **Chapter 14.2.5**.

11.2.17 Lessons Learned

After each segment implementation, the MAC will prepare a lessons learned document regarding its activities during the project. The document should be structured using the major implementation tasks in the SIPP or the seven major work elements reported on the Segment Implementation Project Status Report. The lessons learned should analyze what activities were successful and why, and discuss those activities that need improvement. The document should be submitted to CMS 4-6 weeks after cutover. The MAC will also receive lessons learned from other participants in the transition and will compile all lessons learned into a single document that will be used as the basis for discussion during the post-project review meeting (see **Chapter 10.7**).

Chapter 12: COMMUNICATIONS

12.1 General

It is imperative that the MAC provide extensive and continuous communication with all stakeholders during its jurisdiction implementation. To put it simply, communication with all stakeholders should be “early and often.” Communication regarding the transition should begin immediately after award and should continue into the operational period until all implementation related issues are resolved. The dissemination of information should be coordinated with CMS, which will review and approve newsletters, bulletins, notification language, etc. The MAC will need to determine the most effective methods and schedule for providing information throughout its jurisdiction, since a number of segment implementations will not begin immediately after contract award.

The outgoing contractor will be an integral part of a number of the MAC’s communication activities. The outgoing contractor will be expected to provide information to beneficiaries and providers throughout the transition period. As such, it must be consulted when the MAC’s refines its communication strategy after contract award. The outgoing contractor should include the MAC when it conducts its ongoing beneficiary and provider meetings. The MAC should also develop articles for the outgoing contractor’s newsletters, provide language for MSNs and Remittance Advices, and help develop scripts for the ARU/IVR.

12.2 Communication Plan

The MAC will describe its overall jurisdictional communication activities in the Jurisdiction Implementation Project Plan that is submitted to CMS as part of its proposal. The plan will discuss the processes and procedures that the MAC will follow to ensure that all stakeholders are informed of the status of the implementation and its impact upon them. CMS will review the document as part of its evaluation process.

After each segment kickoff meeting, the MAC must develop a specific communication plan for that segment. The plan may be in chart, table, or WBS project plan format. Input is critical from the outgoing contractor. It is critical that the MAC work with the outgoing contractor when developing its communication plan, as well as other entities directly involved in the transition. The outgoing contractor will be of great assistance to the MAC and will have detailed practical information for communicating with the various provider groups, associations, government officials, and other stakeholders within the segment. It will be very beneficial if the carrier/intermediary can provide the subscriber list for any listservs it maintains.

The segment communication plan should be submitted to CMS within 30 days of the segment kickoff meeting. It should be updated on a biweekly basis and submitted with the Segment Project Status Report.

The segment communication plan should identify the:

- various stakeholders in the transition;
- type of communication activity;
- purpose;
- frequency;
- impact of transition on stakeholder;
- proposed dates/actual dates;
- medium utilized (mailings, meetings, website, etc.);
- responsible party for performing activity; and
- contact person for MAC and stakeholder.

12.3 Public Announcement

The MAC may want to provide a public announcement immediately upon notification of contract award. Generally, a press release would be sent to the major newspapers within each segment and to radio and/or television stations. For segments that are several months away from beginning implementation activities, the MAC may want to issue a short general press release and follow up with a more detailed one when implementation of each segment begins.

12.4 Congressional Contact

Given the high visibility of a Medicare workload transition, the incoming MAC must establish a relationship with each segment's Congressional delegation and continue that relationship throughout the transition. The MAC must be sensitive to the interests of Congressional delegations. Members of Congress must understand the impact of the MAC's contract award, especially on the outgoing contractor's staff, and they need to be aware of implementation plans and activities.

The MAC may find it beneficial to conduct a "meet and greet" session with Senators and Representatives at their Washington, D.C. offices. It should also meet with Congressional staff at local offices in each segment. These introductory meetings should take place as soon as possible after contract award. For MACs that have segment implementations that will not start for several months after contract award, the MAC may find it helpful to meet again shortly before the start of the segment implementation.

Regular updates to the progress of the implementation should be provided to members of Congress. The MAC must also discuss any policy or procedure changes that will impact the provider community because of the change in Medicare contractors.

State and Local Contact

The MAC should also hold introductory meetings with the Governors or staff of each state within its jurisdiction. Also, major city and county officials should be contacted, especially those in the vicinity of any office or operational site. State officials will need to know the impact of the MAC's new contract from an economic standpoint and will be extremely sensitive to any change in operations or employment. The various state insurance commissioners must also be notified of the change. In addition, notification should be sent to the appropriate State Departments of Health, the Medicaid State Agencies, and any state/county organizations involved with the aging.

12.5 Provider Communication

Provider communication is the one of the most important activities during a transition. Providers are the most affected by implementation activities and they have a large financial stake in the project. As such, the MAC must ensure that it makes every effort to inform and properly educate providers about its implementation and any impact that it may have on them. The term "provider" is used in the broad sense of the word, meaning anyone providing a Medicare service; i.e., institutional providers (hospitals, skilled nursing facilities, rural health clinics, federally qualified health centers, home health agencies), physicians, non-physician practitioners, and suppliers.

12.5.1 Professional Organization Contact

It is important for the MAC to establish a relationship with the major professional and provider organizations in each of the segment areas. This will include organizations such as hospital associations, medical societies, and specialty groups. The MAC will work with the outgoing contractor to obtain information and contacts for provider groups within the state(s) it serves. The outgoing contractor should discuss its working relationship with these groups and provide the MAC with contact points. Each provider organization should be contacted as soon as possible after contract award. Personal contact, especially with the major associations and specialty groups, has proved beneficial in past transitions. Letters and phone calls may also be used, especially for follow-up communication.

The MAC should try to take advantage of any public relations opportunities that may present themselves by offering to attend regularly scheduled meetings held by the professional groups. The MAC should ask to be placed on the agenda in order to introduce itself, provide information on the impact of the transition, give the status of the implementation, and discuss any issues that have arisen. A request may also be made to place an article or announcement about the transition in the organization's professional journal or newsletter. In addition, the MAC could offer to make speakers available. The MAC should attend regularly scheduled provider meetings with the outgoing contractor, as well as Provider Advisory Group (PAG) and/or Provider Communication Advisory Group (PCOM) meetings.

The MAC should provide monthly status bulletins/newsletters to the major provider associations detailing the status of the transition and policy issues that may affect providers. The MAC should obtain provider input on subject areas to be discussed at workshop/seminars/training sessions. The outgoing contractor can prove helpful in planning provider sessions and it may be able to offer suggestions on the best location and facilities for those meetings.

12.5.2 Provider Contact

For each segment, the MAC must work very closely with the outgoing contractor when developing a communication strategy for providers. A complete list of providers should be obtained. The list should include such information as name, address, contact person, email address, Employee Identification Number (EIN), and EMC information. An introductory letter to providers should be sent by the MAC as soon as possible after contract award. The MAC should provide information about the upcoming transition, the implementation schedule, and a contact person with telephone number. The MAC may wish to personally contact the largest billing providers in each segment. In addition, the MAC may establish a special transition provider hotline.

The MAC should work with the outgoing contractor to develop articles regarding the transition for the outgoing contractor's provider bulletins and other publications. In addition, beginning two months prior to cutover, the MAC should develop language for the outgoing contractor's Remittance Advices that will remind providers of the upcoming change in Medicare contractor and cutover activities. The MAC should also be a part of any provider advisory group that is currently in place.

In addition to using the outgoing contractor for provider communication, the MAC may also provide information on its own to providers. Monthly updates and reminders may be issued covering information such as the cutover schedule, upcoming provider workshops, and new post office boxes for claims submission. About a month prior to cutover, the MAC should send a special cutover reminder notice to all providers reminding them about payment procedures, dark days, and other changes. Some contractors have found it helpful to use colored or optic paper to insure that providers/submitters take notice of the information.

12.5.3 Provider Workshops/Seminars

Provider workshops or seminars have proven beneficial in previous workload transitions. The purpose is to supplement the information being provided about the transition through other vehicles, provide a more detailed and informative discussion of how changes will affect the billing process, and introduce the provider community to the MAC's provider relations representative. The MAC will be able to assess areas of provider concern and answer questions directly. The workshops can serve two different audiences: provider managers/executives and provider/submitter office and claims billing personnel.

Workshop sessions will review the calendar of transition events and the changes that providers can expect when the MAC assumes the segment workload. Topics will include EMC and front end changes, claims submission and address changes, interaction with the functional contractors, and dark days. Edits/LCDs and the possibility of increased suspension/rejection of claims may also be discussed. The MAC may also use the workshop to distribute informational materials such as compact discs or new provider manuals.

The number and content of the workshops will vary depending on the implementation activity that will take place and the size of the workload segment that the MAC will assume. The location of the workshops should take into consideration major providers and population areas. The outgoing contractor should be able to provide input to the workshop schedule, content of the presentation, and proposed meeting locations. It should also have a representative present. Workshops are normally scheduled six to ten weeks before cutover, with additional meetings added if necessary.

12.6 Beneficiary Communication

While the 1-800-MEDICARE and Beneficiary Contact Centers lessen the need for beneficiary contact with carriers and intermediaries, the MAC still must make every effort to inform the beneficiary community of the transition. This may be accomplished in a number of different ways:

- newspaper advertisements and public service announcements on radio and television;
- beneficiary associations and groups such as AARP;
- state and local government agencies dealing with the aged;
- Social Security Administration district offices;
- senior citizen centers;
- health fairs; and
- community centers/libraries/retirement centers.

A beneficiary information bulletin with the MAC's name, address, telephone number, new post office boxes for claims submission, and effective date of the change of contractors should be distributed when contacting the above. Any change to the beneficiary walk-in office or availability should be highlighted.

The outgoing contractor will also help the MAC disseminate transition information. The MAC should attend regularly scheduled beneficiary outreach and beneficiary advisory/advocacy group meetings with the outgoing contractor. The outgoing contractor can help the MAC assess demographic and language needs, and help the MAC develop language for mail stuffers or MSN messages. Distribution of these messages should begin approximately two months prior to cutover. Transition information would also be provided on ARU/IVR scripts and on the websites of the MAC and outgoing contractor.

12.7 Social Security Administration

The MAC should prepare a notice about the change of Medicare contractors and distribute it to the Social Security Administration (SSA) district offices within its jurisdiction. The MAC should ensure that informational signs and notices of the change are available at SSA offices. The notice should provide information such as the name, address, and telephone number of the MAC, and the effective date of the change. Also, if existing walk-in offices will be reduced or eliminated, SSA will need to be aware of that fact so that it can make arrangements to handle any increase in district office walk-in traffic.

12.8 Transition Partners

Communication with the major participants in the implementation (outgoing contractor, EDC, shared system maintainer, HIGLAS, PSC, QIC) will be thorough and continuous. Protocols for communication are discussed in **Chapter 7, Interaction with other Organizations**, and **Chapter 11, CMS Monitoring Requirements**. Other organizations that interface or have an interest in the transition (trading partners/crossovers, QIOs, COB, other Medicare contractors, etc.) will need to be contacted to discuss expectations, implementation issues, interface protocols, case review, and workflow. The MAC should regularly provide these organizations with updates to the progress of the implementation, any schedule changes, and any issues that need to be addressed, especially regarding cutover.

12.9 Internal Communications

It is important that the MAC keep its employees informed about the progress of its segment implementations. This can be accomplished through regularly scheduled staff meetings and employee bulletins or newsletters. It is also important to provide implementation information to the outgoing contractor's staff if they will be employed by the MAC after cutover. The MAC may want to have a human resources person available on-site to answer employment questions and to provide general information on the progress of the implementation.

12.10 Website

As part of its communication efforts, the MAC should establish a website or add a transition area to its existing site. The site should be registered with internet search engines and temporary transition information should be prepared. CMS website design and content requirements must be adhered to. The site should be tested and placed into production as soon as possible and updated regularly.

The website will provide current information on the incoming MAC and give status updates on the implementation. It may also provide FAQs, display links to other Medicare informational sites, and discuss any changes that will occur at cutover. If both parties agree, the MAC can also utilize the outgoing contractor's website to provide

transition information and links to the MAC's website. Website features that have proven effective include early implementation and state specific entry points with separate Part A and Part B designations. For quick electronic updates, the MAC may also establish an e-mail mailbox link for electronic inquiries and/or transition listserv subscriptions.

12.11 ARU/IVR

Interactive Voice Response (IVR) and Automated Response Units (AUR) can be used to provide transition information to beneficiaries and providers. Scripts may be developed to provide the status of the implementation, key dates to remember, and reminders about the payment floor and dark days. Transition information can also be made available while beneficiaries and providers are on hold for a customer service representative.

12.12 Cutover

Communication with providers regarding cutover activities is essential. Providers must be aware of cutoff dates, payment cycles, and dark days. This specialized provider communication activity is discussed in **Chapter 9.11, Cutover Communication**.

Chapter 13: FINANCIAL PROCESSES

13.1 General

The MAC is responsible for the orderly transfer of financial accounts and documents from the outgoing contractor and the proper payment of claims for the segment workload that it is assuming. The MAC must establish a financial administration component which will be responsible for administering and monitoring Medicare program payments and reporting program expenditures using CMS reporting protocols. CMS will advise the MAC of the identification numbers to be used for reporting benefit payments.

13.2 Banking

The MAC shall follow established CMS procedures for setting up Medicare bank agreements or amend its current bank agreement to include the segment workload that it is assuming. The MAC, CMS, and the bank must enter into a tripartite agreement covering two types of accounts: benefits account and time account. The earnings from the time account are used to compensate the bank for services rendered.

CMS will issue a letter of credit to fund the MAC's estimated annual program benefit payments to providers and beneficiaries. This will flow through the benefits account. The letter of credit covers claims paid by the MAC that are drawn from the benefits account, either by check or electronic funds transfer (EFT.) It authorizes a Federal Reserve Bank to advance funds to the MAC's bank for deposit into the MAC's account for payment of processed claims. If the MAC will continue with its existing banking arrangements, it must coordinate with CMS to increase its current letter of credit to reflect the new workload it will be assuming.

13.3 Financial Coordination

The MAC will need to establish the payment dates and payment frequency for its operation. It should obtain the payment schedule of the outgoing contractors in order to determine if there will be consistent payment cycles or if cycles will remain as they are. Payment days and frequency vary among carriers and intermediaries; some pay weekly, others several days a week, and some pay daily. If the MAC proposes to change the existing segment payment cycle, CMS should be consulted. Providers/submitters will need to be informed repeatedly of any changes to their payment date or frequency. The MAC and the outgoing contractor must also coordinate periodic interim payments (PIP) to providers when the payment cutoff date during cutover occurs within a PIP payment period.

After cutover, provisions must be made for the outgoing contractor to forward checks and other mail to the incoming MAC. The MAC must determine if its bank will cash a countersigned check made out to the outgoing contractor. If it will not accept a countersigned check, the MAC must return the check to the provider for reissue.

At cutover, the MAC must obtain from the outgoing contractor a final listing of outstanding checks. The outgoing contractor must also provide a voided check register to the MAC. The MAC and the outgoing contractor will need to coordinate procedures for handling stop payments, voided checks, and the reissuance of old outstanding checks.

13.4 Accounts Receivable Reconciliation

13.4.1 General

Medicare accounts receivable are a significant balance on CMS's financial statements and they require the MAC's special attention. The majority of accounts receivable are comprised of overpayments made to providers, physicians, suppliers, beneficiaries, and insurers. Other receivables are incurred when Medicare paid claims as the primary payer and it is subsequently determined that Medicare should have been the secondary payer.

13.4.2 Accounts Receivable Reconciliation

The outgoing contractor is responsible for the reconciliation of the accounts receivable for the segment that will be transferred to the incoming MAC. After the segment implementation begins, CMS (or a contracted organization) will go on-site to conduct an accounts receivable review of the outgoing contractor. The MAC should attend the review sessions to understand the process and the documentation prepared to support the reconciliation.

The MAC should be notified in writing by the outgoing contractor of all outstanding accounts receivables being transferred 60 days prior to the effective date of the transfer. The written notification will include a transmittal document summarizing the number and value of Medicare accounts receivable being transferred and a statement of receipt to be signed by the MAC. In addition to this transmittal, the outgoing contractor will include a detailed listing showing each specific account receivable being transferred. The detailed listing must agree to the summary totals reflected on the transmittal document and will include the following data elements:

- Debtor's name, Medicare identification number (provider, physician, or supplier number) and EIN or TIN;
- Account receivable/overpayment amount being transferred that includes principal and interest;
- Account receivable types; e.g., Medicare Part A or B, MSP, or other;

- Type of account receivable; e.g., cost report overpayment - audit, medical review, duplicate payment, etc.;
- The current status of collection action; e.g., interim payments being offset, extended repayment schedule in effect, etc.; and,
- The cost report period or accounting period, if applicable.

The outgoing contractor should also send the permanent administrative file for each provider/debtor transferred to the MAC. This file must contain all relevant information to support the accounts receivable being transferred; e.g., identity of debtor, refund requests and documentation to clearly support each accounts receivable/overpayment determination.

The MAC will certify the receipt of the transmittal document and return the receipt to the outgoing contractor no later than 10 calendar days after the date of transfer, with a copy provided to CMS. The MAC will review and reconcile the accounts receivable transmittal document and the detailed listing with the administrative files transferred from the outgoing contractor. If the MAC identifies a discrepancy regarding specific accounts receivable, it must meet with the outgoing contractor and attempt to resolve the issue. If the discrepancy cannot be resolved, transfer the accounts receivable to the CMS project officer for resolution. The MAC has one year to review and accept all transferred receivables.

13.4.3 Financial Reporting

The MAC must retain copies of all documentation related to the transfer of accounts receivable. If there is a discrepancy regarding a specific accounts receivable, the incoming MAC will contact the CMS project officer for resolution. The MAC will report the value of the receivables which have been accepted on the appropriate line of the CMS financial reporting form as well as any amounts transferred to CMS for resolution. Summary data should be included to identify the name of the outgoing contractor and the number and value of accounts receivable that were accepted as a result of transition activity. In the event that accounts receivables were transferred from multiple outgoing contractors, information should be included for each outgoing contractor. All MACs are subject to audit and may be required to provide supporting documentation for the accounts receivables values reported on CMS financial reports.

13.5 Voucher Submission and Protocol

The MAC will determine its need for periodic payment, but CMS expects that vouchers for contract cost reimbursement will be submitted on a monthly basis. The MAC will voucher in accordance with the FAR and any requirements specified in the MAC Request for Proposals. The MAC must use the voucher/financial management reporting system provided by CMS and will report implementation costs in accordance with the CMS instructions. System requirements and user instructions will be provided by CMS at contract award. Vouchers must include supporting documentation. If there are any

questions or concerns with the voucher, CMS will contact the MAC for resolution prior to payment. **Detailed documentation will facilitate the timely payment of vouchers.**

13.6 Implementation Costs

After contract award, the MAC may need to refine and negotiate jurisdiction and segment implementation costs based on any schedule modifications, workload changes, or additional information obtained from the outgoing contractor through due diligence.

Implementation costs represent the efforts of the MAC during its jurisdiction implementation and are non-recurring in nature. Jurisdiction implementation costs may be incurred at any time from the date of contract award. Implementation costs will generally not be incurred to any great extent after the final segment cutover; i.e., the jurisdiction operational start date, unless there are significant problems associated with one (or more) of the segment implementations

To be considered an implementation cost the following criteria must be met:

- costs are non-recurring and would not have been incurred except for the MAC's implementation;
- costs are "used up" in the implementation; and
- costs do not represent ongoing operational costs and are not already included in the MAC's operational cost proposal.

Direct personal service costs of MAC employees working on an implementation may be considered as implementation costs but must be specifically identified and justified in the implementation cost proposal and any subsequent negotiations. The MAC will propose a separate implementation cost and will voucher according to CMS instructions.

13.7 IRS Form 1099 Responsibilities

The carrier/intermediary shall retain responsibility for preparation and submission of the 1099's for the providers it serviced in the year that the cutover occurred (even if this period is less than one calendar year). This responsibility includes both the electronic reporting to the Internal Revenue Service (IRS) and the hard copy reporting statement for the providers. **These items shall be released on the normal 1099 reporting cycle.** During the transition, as part of the normal communication activities, providers must be reminded that they will receive two 1099s for the year—one from the carrier/intermediary and one from the incoming MAC—unless cutover occurs at the end of the calendar year.

The outgoing carrier/intermediary shall produce 1099's for Medicare providers and shall modify the materials going to the providers to reference the incoming MAC's name, address and the telephone number for questions after the cutover date. If any provider

reporting statements are returned as undeliverable mail, the outgoing carrier/intermediary shall forward them to the MAC.

At this time, it appears that the IRS will not allow the incoming MAC to correct a 1099 issued by the outgoing contractor; therefore the former carrier/intermediary will be responsible for making any corrections to 1099s that it issued. As such, an agreement will need to be developed between the MAC and the former contractor. This agreement will detail the procedures for providing the necessary information to enable the former contractor to make the corrections.

Chapter 14: RISK MANAGEMENT

14.1 General

CMS has placed great emphasis on identifying and managing risks involved in a workload transition. Risk management is an important part of a workload transition and the MAC must be prepared to mitigate identified risks and implement contingency plans. Beneficiaries and providers must not be negatively impacted as the result of a transition. A well thought out approach to risk and a comprehensive risk management plan will help ensure that they are not.

14.2 Risk Management Processes

Risk management involves the systematic process of identifying, analyzing and responding to transition risks. The MAC must look at the overall transition project and the uncertainties that exist and develop risk response strategies to prevent these potential issues from becoming real problems that will adversely affect the transition. The activities listed below are the basic processes that should be followed for the management of risk during a transition.

14.2.1 Risk Identification

The MAC will identify which risks might affect the transition and document the characteristics of the risk. Identification may come from the MAC's experience in transitions, lessons learned from other transitions, industry experts or consultants, current performance, brainstorming, etc. Triggers or warning signs that a risk has occurred or is about to occur should also be identified.

14.2.2 Risk Analysis

Risk analysis will examine each identified risk to estimate the likelihood of it happening and to predict the impact on the transition. The probability of a risk occurring may be expressed in numbers or levels such as high—likely to occur during the transition; medium—a possibility of the risk occurring; or low—unlikely to happen.

The impact on the transition will normally focus on cost, schedule, technical, or operations. Impact assessment may also be expressed in numbers or levels: high—substantial impact on the cost, schedule, technical or operations; moderate—some impact; and low—minimal, if any, impact.

Once probability and impact have been categorized, a risk prioritization should be undertaken to show what risks require management attention and action.

14.2.3 Risk Response

The MAC should develop options for responding to the identified transition risks. Options include:

- The risk could possibly be avoided by changing tasks or the schedule of the JIPP/SIPP. Any change would require CMS review;
- The risk might be able to be transferred or shifted to another organization involved in the transition;
- The probability or impact of the risk may be able to be reduced or mitigated. This is the most common option that Medicare contractors take in their approach to transition risk and has been used successfully over the years. It is much more preferable than trying to deal with a risk's consequences after cutover; and
- If other risk options are not practical or beyond the scope of the MAC's contract, the risk must be accepted. If the MAC accepts a risk, then contingency plans should be developed, especially for high priority risks. Contingency plans may also be developed for risks with a mitigation plan in place, should the mitigation plan not be effective.

14.2.4 Risk Management Plan

Following the component steps outlined above, and as required by CMS, the MAC must develop a risk management plan (also known as a risk response plan) which should contain the following:

- The details of all identified risks, their descriptions, their causes, the probability of their occurrence, the areas of the transition affected, and what impact the risk may have on the transition goals (see **Chapter 1.5**);
- The organization/person that is responsible for risk and their responsibilities;
- The results of the risk analysis and prioritization;
- The risk responses (options) that have been selected for each risk identified;
- The specific actions identified to implement the risk option strategy (e.g., mitigation, contingency plans); and
- The level of risk expected to remain after the strategy is implemented.

The RFP requires that the MAC submit a jurisdiction risk management plan with its proposal. As each segment implementation begins, the MAC should analyze risks specific to that segment and incorporate any additional risks into the risk management plan. The segment-specific update should be submitted no later than 30 days after the segment kickoff meeting. This will allow time for the MAC to obtain information from the outgoing contractor and complete at least some of its assessment/due diligence. See **Chapter 11.2.15**.

The outgoing contractor will play a key role in the development of the MAC's risk management plan. This cannot be overemphasized. After contract award, it is critical the MAC meet with the outgoing contractor, as well as other organizations directly involved in the transition, to go through the risk processes, develop a plan, and to coordinate with the other risk management plans or activities.

14.2.5 Risk Monitoring

The MAC must keep track of the identified risks throughout the transition. It must monitor trigger events and ensure the execution of risk responses. It should also evaluate the effectiveness of the responses on an ongoing basis. The MAC must recognize new risks if they develop and monitor identified risks to see if they may change or disappear.

As an integral component of the risk management process, and as required by the RFP, the MAC shall periodically reassess its risk management activities and submit an update to its risk management plan to CMS on a monthly basis identifying any new risks, and describing the implementation of new risk responses including mitigation strategies and contingency plans. See Chapter **11.2.16**.

LIST OF EXHIBITS

- Exhibit 1 Transition Phases and Terminology
- Exhibit 2 MAC Contract Administrative Structure
- Exhibit 3 Major Tasks and Activities Associated with a Workload Transition
- Exhibit 4 Outgoing Contractor Information/Documentation
- Exhibit 5 Files to be Transferred to a Medicare Administrative Contractor
- Exhibit 6 Sample Workload Report
- Exhibit 7 MAC Workload Implementation Meeting and Documentation Guide
- Exhibit 8 Glossary
- Exhibit 9 Acronyms

Exhibit 1 Transition Phases and Terminology

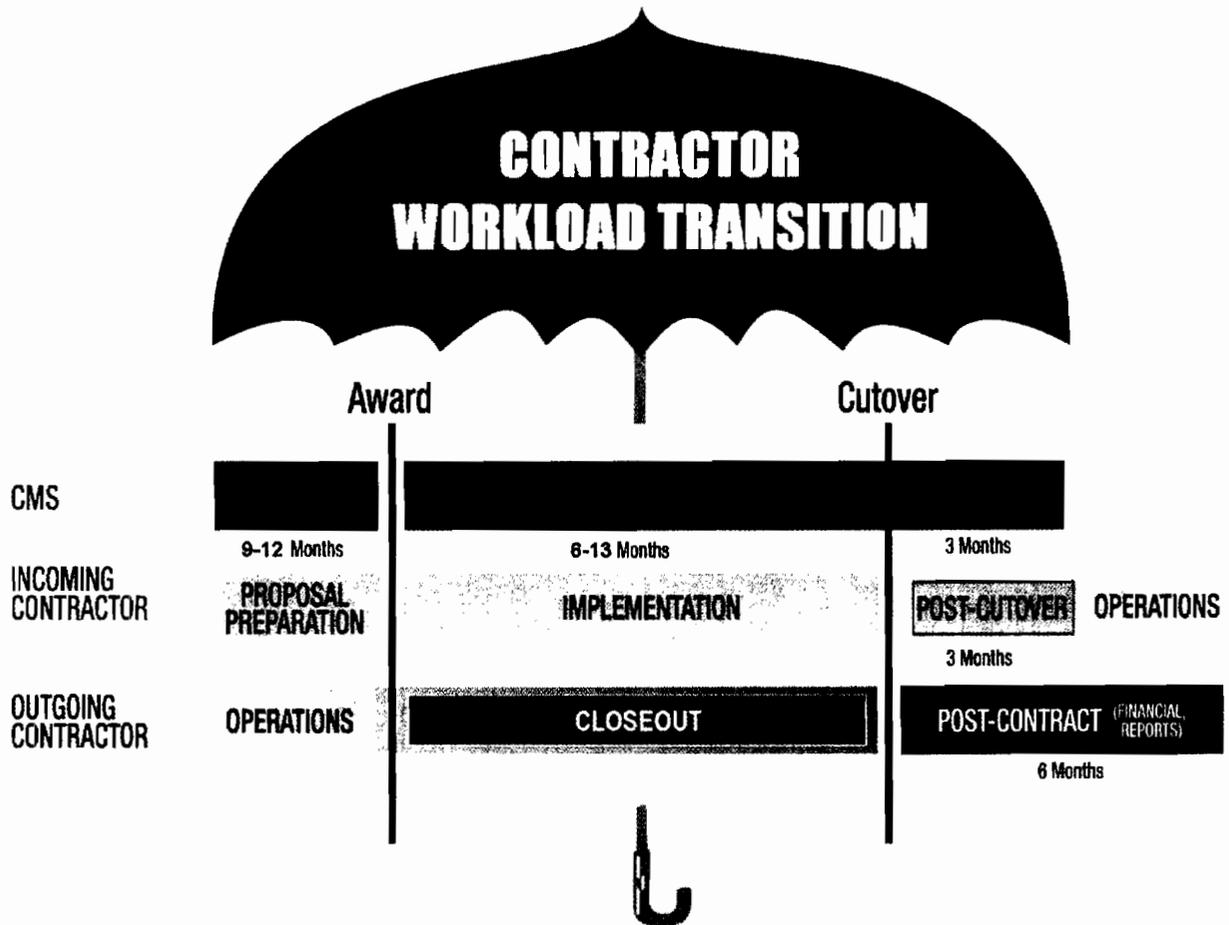


Exhibit 2 MAC Contract Administrative Structure

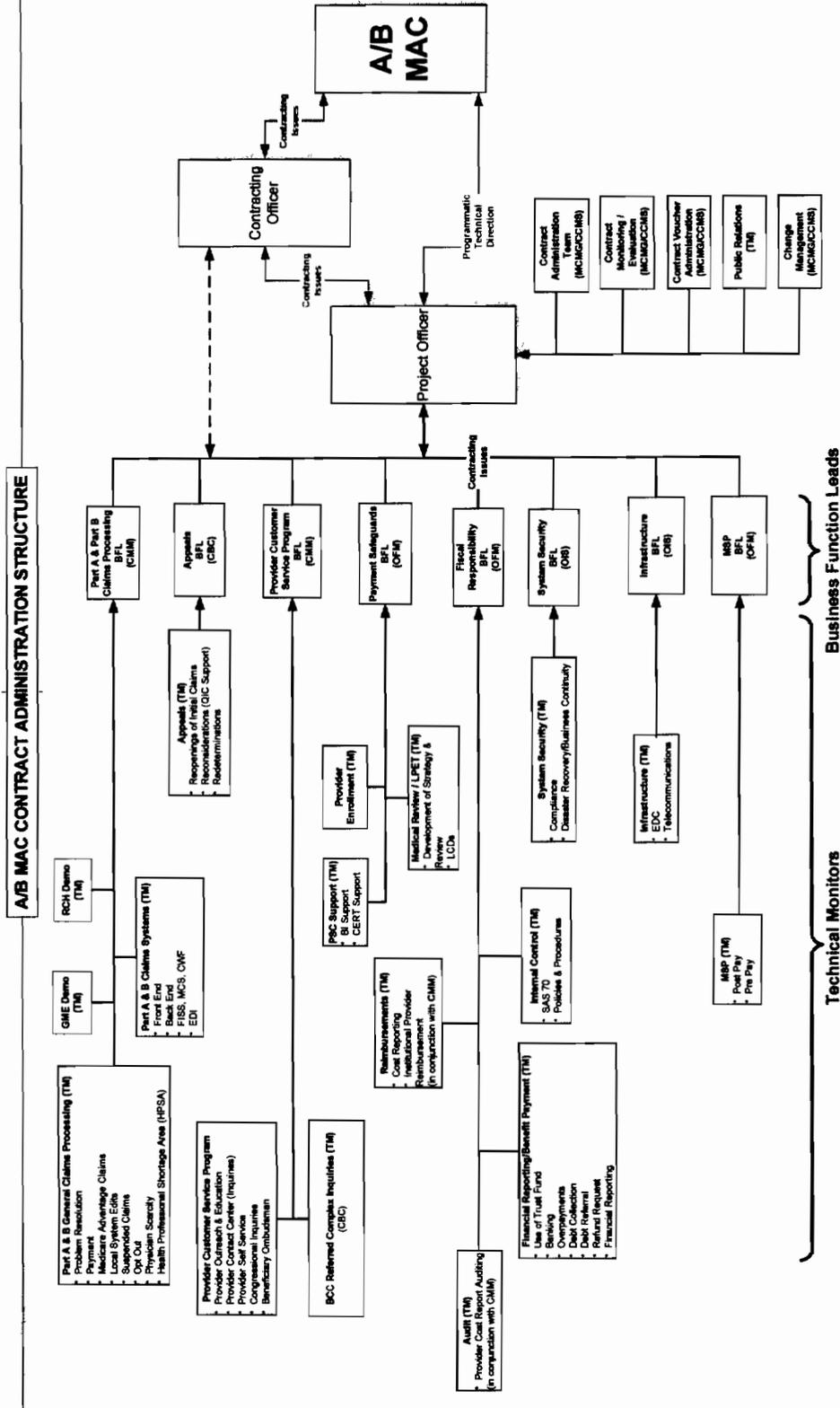


Exhibit 3

Major Tasks and Activities Associated with a Workload Transition

The following list is not all-inclusive.
All tasks listed may not be applicable in every implementation.

PROJECT MANAGEMENT

- Transition organization structure
- Establish/manage Workgroups
- Staffing
- Maintain Project plan
- Monitoring/issue log/deliverables
- Contract/subcontract administration
- Meetings
- Reports
- Communications: public, SSA, state/local, Congressional
- Risk analysis/mitigation/contingency
- Asset inventory analysis
- Financial/ project budget
- Vouchering
- Post-cutover data sharing agreements

SITE ACQUISITION/PREPARATION

- Requirements
- Site acquisition
- Preparation/renovation
- Assess asset inventory
- Obtain/install furniture and equipment
- Miscellaneous—security, services, etc.

SOFTWARE ACQUISITION/INSTALLATION

- Requirements
- Acquisition
- Installation
- Testing

HARDWARE ACQUISITION/INSTALLATION

- Requirements
- Assess asset inventory
- Acquisition
- Installation
- Testing

Exhibit 3
Major Tasks and Activities Associated with a Workload Transition
(Cont.)

CLAIMS PROCESSING/OPERATIONS ASSESSMENT

- Due diligence
- Assess/revise current operations/workflow—data entry/adjudication, MR, MSP, financial, hearings and appeals, reviews, pricing, correspondence, enrollment, etc.
- Documentation
- Special projects
- Performance deficiencies/PIPs
- Local issues/procedures/LMRP
- Special practices/best practices
- Corporate support functions (front end/back end, etc.)
- File review/transfer
- Print Functions
- Mail Operations/P.O. Boxes
- Forms/report analysis
- Records/storage

FINANCIAL

- Transition/operations budget development
- Cost reports/audit
- Accounts Receivable
- Banking agreements
- Letter of Credit
- Finance/Provider Payment?
- PIP coordination
- Provider and Physician/Supplier Overpayment Reports (POR/PSOR)
- CFO report
- EFT agreements
- Payment cycle change analysis

NETWORK / EDI / DATA CENTER CONNECTIVITY

- Determine voice/data requirements/configuration
- Order circuits/switches/equipment
- Install telecommunication equipment/software
- Establish/test connectivity
- LAN coordination (workstation support/servers/email)
- Data center agreements
- Websites

Exhibit 3
Major Tasks and Activities Associated with a Workload Transition
(Cont.)

TESTING

- Unit
- Cycle/system
- End-to-end
- Contractor Acceptance
- Parallel
- Stress
- Volume
- Telecommunications
- CWF
- Interfaces
- Print/mail
- Forms/reports
- OCR/ICR
- ARU/IVR
- Front end/back end/ bulletin board
- Financial/banking (EFT, recon, clears, etc.)
- Trading partners
- EDI/DDE

INTERFACES/TRADING PARTNERS

- Identification/communication with trading partners
- Obtain crossover agreements
- Test eligibility and claims files
- EDI interfaces/migration to data center
- Front end/back end
- CWF
- EDI/DDE
- Banking/financial
- EFT agreements
- Print/mail
- 1099s

RECRUITING AND TRAINING

- Develop/refine staffing requirements
- Obtain HR information for retained staff
- Recruit/hire staff
- Establish training facilities
- Prepare training materials
- Conduct training
- Refresher training

Exhibit 3
Major Tasks and Activities Associated with a Workload Transition
(Cont.)

BENEFICIARY RELATIONS

- Obtain beneficiary and organization data
- Develop communication plan
- Contact beneficiary groups, state agencies, SSA
- Meeting/seminar planning/preparation
- Conduct meetings/attend conferences
- Bulletins/newsletters/stuffer/media/website

PROFESSIONAL AND PROVIDER RELATIONS

- Obtain provider/association data
- Develop provider and professional communication plan
- Contact provider/medical organizations/large providers
- Workshop/seminar planning/preparation
- Conduct provider workshops/seminars
- Develop bulletins/newsletters/stuffers/provider manual/website

CUTOVER

- Cutover Plan
- Asset transfer
- Physical move
- Final run/copy files
- Verify copies of production/files/inventory
- System setup/conversion
- Initial cycle run
- Verify output, financial, and print/mail
- Telecommunications
- Records storage

POST- CUTOVER

- Monitor business/system operations
- Problem identification/analysis
- Problem resolution
- Workload reporting
- Lessons learned

Exhibit 4

Outgoing Contractor Information/Documentation

The following is a sample of Medicare information and documentation that is normally requested by the incoming contractor and must be provided in its entirety by the outgoing contractor:

- Copies of MSNs, Remittance Advices
- Copies of all notices and bulletins
- Outgoing contractor closeout plan
- Copies of fee schedules and payment schedules
- List of providers on 100% review, under investigation (including issues involved), and referrals to the Department of Justice
- Information on providers:
 - Name, telephone number, address, EIN of provider
 - List of providers on PIP/off PIP, with effective dates
 - Date of last interim rate payment review
 - EMC status
 - Current provider payment rates
 - Waiver of liability information, if applicable
 - Current program integrity information
 - Summary PS&R data
- Listing of historical provider issues and problems
- Unique procedure information
- Complete EMC information on all providers and submitters including:
 - Standard formats used
 - Vendors/billing houses/software used
 - Status of EDI agreements/contracts
 - EMC submission rates
 - Use of ERN and EFT
- A list of all special claims handling circumstances
- Beneficiary State Tape (BEST) or the Carrier Alphabetical State File (CASF).
- Inventory of all program materials and procedures that are available to the MAC, including any government owned property (equipment and supplies).
- List of assets available for purchase from the outgoing contractor.
- Key contacts: beneficiary, providers, Congress, specialty groups, associations.
- Staff attrition reports
- Storage information
- Status of key workload volumes
- Accounts receivable
- Enrollment inventory
- Status of cost Reports
- STAR databases
- Audit trails for Provider debt
- Workshop schedule

Exhibit 4

Outgoing Contractor Information/Documentation (Cont.)

The following is a sample of Medicare information/documentation that may contain certain proprietary or business information. CMS will generally not require the outgoing contractor to release this information. However, if CMS believes that the information is critical to the success of the implementation and has the authority to do so, it will direct the release of a redacted version of the information:

- Annual Internal Audit Plan
- Business Continuity Plan
- Interim Expenditure Report/Notice of Budget Authorization
- Risk Assessment
- Lease agreements
- Subcontracts
- Off-site storage contract
- Personnel information
- Medicare organizational chart
- Disaster Recovery test results
- Production standards and performance requirements by functional area
- Internal controls/process manuals
- Training manuals and materials
- Claims processing guidelines

The following are public documents that are releasable specifically by statute or under the Freedom of Information Act (FOIA). However, these documents may contain some proprietary business information and/or financial data that is not releasable. CMS expects that outgoing contractors will normally release properly redacted copies of such documents to the incoming contractor:

- List of CAPs/PIPs/CPE findings
- CMS Regional Office Memorandum/Letters
- Certification Package of Internal Controls
- SAS 70 final report
- CFO Audit final report

NOTE: This exhibit (including the categorizations and examples contained within it) does not supersede CMS's rights under the Rights in Data clause contained in the Medicare carrier contract, intermediary agreement, or Plan agreement under the Blue Cross and Blue Shield Association.

Exhibit 5

Files to be Transferred to a Medicare Administrative Contractor

This list provides a sample of the types of files that will be transferred to an incoming Medicare contractor. It is not all-inclusive. Files to be transferred will vary depending on functions currently performed by the outgoing contractor and the functions that will be performed by the MAC.

Provider File

- Data File
- Index File
- Provider Mnemonic File
- Provider Overflow File
- Reasonable Charge File
- Physician ID File

Customary File

- Current Year File
- Previous Year File

Prevailing File

- Current Year File
- Previous Year File

Profile Procedure/Pricing Files

- Current Year File
- Previous Year File

Lowest Charge Level File

Limiting Charge Monitoring File

Beneficiary File

- On-line History Data Base File
- Off-line History Data Base File
- Index File
- Soundex File

Claim History/Conversion File

- Data File
- Beneficiary Inverted File
- Provider Inverted File

Exhibit 5
Files to be Transferred to a Medicare Administrative Contractor
(Cont.)

Activity/Pended File

- Data File
- Master Pending File
- Index File
- Beneficiary Inverted File
- Provider Inverted File

Financial Files

- Accounting Master File
- Bank Reconciliation/Accounts Receivable File
- Inverted File

DME Files (DME MACs only)

Eligibility File

QA Files

Carrier Option File

Pending/ Finalized Audit and Reimbursement File

Personnel File

Correspondence Files

- On-line Correspondence History Data Base File
- Index File
- Inverted File
- Inverted Index File

Utilization (Post Payment) Review Files

Provider Development Systems (PDS) Files

- PDS Option File
- Base Year File
- Maximum Allowable Prevailing Charge File
- No Rollback File

Exhibit 5
Files to be Transferred to a Medicare Administrative Contractor
(Cont.)

MSP Files

- Savings File
- Insurer File
- Data Match File

Government File

Coordination of Benefits File

HCPCS File

Pacemaster File

Miscellaneous Files

- SCC Files
- On-line and Update Reference Files
- Rolling Transaction File
- RPTTOTAL File
- OBFNEW File
- Batch Control File
- CICS Table Files
- Miscellaneous Transaction File
- Statistics File
- Replies Restart File
- Beneficiary Restart File
- HIC Restart File
- Procedure Frequency File
- PVSELECT File
- Provider Log File
- Procedure Diagnosis File
- Activity Restart File
- Daily/Weekly Check Number Files

**Exhibit 6
Sample Post-Cutover Workload Report**

Post-Cutover Workload Report													
MAC Name													
Date													
Date	Pending	Rec	Proc	CWF	Denied	Suspend	DOH Claims	DOH Corr	DOH Appeals	Bene Checks	Bene\$	Prov Checks	Prov\$
9/1/04													
9/2/04													
9/3/04													
9/6/04													
9/7/04													
9/8/04													
9/9/04													
9/10/04													
9/13/04													
9/14/04													
9/15/04													
9/16/04													
9/17/04													
9/20/04													
9/21/04													
9/22/04													
9/23/04													
9/24/04													
9/27/04													
9/28/04													
9/29/04													
9/30/04													

Exhibit 6 Sample Post-Cutover Workload Report (Cont.)

Provider Service Center and IVR Monthly Report										
	Date	ACD Calls	DAILY % Service Level 60 Sec	MTD % Service Level 60 Sec	Average Talk Time	ATB	MTD - AVG ATB	Total Calls Answered (Calls that came into the IVR)	Calls Transferred to an Operator (opted out to rep)	Completed Calls (Completed in the IVR)
9/1/04										
9/2/04										
9/3/04										
9/4/04										
9/5/04										
9/6/04										
9/7/04										
9/8/04										
9/9/04										
9/10/04										
9/11/04										
9/12/04										
9/13/04										
9/14/04										
9/15/04										
9/16/04										
9/17/04										
9/18/04										
9/19/04										
9/20/04										
9/21/04										
9/22/04										
9/23/04										
9/24/04										
9/25/04										
9/26/04										
9/27/04										
9/28/04										
9/29/04										
9/30/04										
MTD:										

***Note: Callers have pre-IVR options to use the IVR or speak with a CSR. The numbers reflected on this report do not reflect those callers that opted to be routed to Customer Service.

Exhibit 7 MAC Workload Implementation Meeting and Documentation Guide

Blue shaded activities indicate face-to-face meetings or teleconferences.

Abbreviations:

CMS: CO—Contracting Officer; PO—Project Officer; JIL—Jurisdiction Implementation Lead; SIM/MISC—Segment Implementation Manager/MISC
MAC: PM—Project Manager; SPM—Segment Project Manager; **Other:** BCBSA—Blue Cross and Blue Shield Association; PSC—Program Safeguard Contractor; EDC—Enterprise Data Center; BCC—Beneficiary Call Center; QIC—Qualified Independent Contractor.

No.	Activity	Description	Purpose	Frequency	Media	Audience	Responsibility	Ref.
1.	Post-Award Orientation Conference.	Half-day meeting.	To review contract provisions, CMS contract administration, and vouchering.	One-time meeting within 10 days of contract award.	Face-to-face meeting.	CMS: CO, PO, JIL; MAC: PM, Project Team.	CMS Contracting Officer	3.5.5
2.	MAC Pre-Meeting	Half-day meeting	To review CMS's project expectations and requirements, discuss issues that have arisen since award, and make final preparations for Jurisdiction Kick-off Meeting	One-time meeting held prior to Jurisdiction Kickoff Meeting	Face-to-face meeting.	CMS: PO, JIL, SIM/MISC; MAC: PM and Project Team.	CMS	3.5.1
3.	MAC Jurisdiction Transition Kickoff Meeting Agenda.	List of meeting topics with estimated times and dial-in teleconference number.	To provide participants with a description of topics to be discussed during the meeting.	One-time meeting. Due 3 days prior to meeting.	Memo via email.	CMS: CO, PO, JIL, SIM/MISC, Project Team; MAC: PM and Project Team; Outgoing Contractors; Data Centers; PSC; EDC; BCBSA; BCC; QIC, etc.	MAC Project Manager with CMS input.	3.5

Exhibits

No.	Activity	Description	Purpose	Frequency	Media	Audience	Responsibility	Ref.
4.	MAC Jurisdiction Transition Kickoff Meeting.	1 day meeting	To review the upcoming MAC jurisdiction and implemented carrier/intermediary closeout activities.	One-time meeting scheduled 10-15 days after contract award.	Face-to-face meeting with teleconference capability.	CMS: CO, PO, JIL, SIM/MISC, Project Team; MAC: PM and Project Team; Outgoing Contractors; Data Centers; PSC; EDC; BCBSA; QIC; BCC, etc.	MAC Project Manager.	3.5.3
5.	MAC Jurisdiction Transition Kickoff Meeting Documentation.	Minutes, record of discussion, issues/action items.	To document the discussion and issues/action items from the kickoff meeting.	3 days following meeting.	Memo via electronic mail.	All attendees.	MAC Project Manager.	3.5
6.	Jurisdiction Transition Contact List.	List of kickoff meeting attendees and others to be involved in the project.	To ensure that appropriate transition personnel can be reached as needed throughout the transition.	Update and distribute as changes are made.	Spreadsheet via electronic mail	All Jurisdiction Kickoff Meeting attendees and others involved in the transition.	MAC Project Manager.	3.5
7.	Deliverables List.	List of documents, information, files, etc. requested by MAC to be provided by outgoing contractor.	To facilitate the transition from the carrier/intermediary to the MAC environment.	Development begins at contract award. Maintained and updated throughout the implementation.	Memo via electronic mail.	Outgoing Contractor; CMS: PO, Jurisdiction Implementation Lead, SIM/MISC.	MAC Project Manager.	3.5.3.3 4.12
8.	MAC Segment Transition Kickoff Meeting Agenda.	List of meeting topics with estimated times and dial-in teleconference number.	To provide participants with a description of topics to be discussed during the meeting.	One-time meeting for each segment implementation. Due 3 days prior to meeting.	Memo via electronic mail.	CMS: CO, PO, JIL, SIM/MISC; MAC: PM, Project Team leads; Outgoing Contractor; BCBSA; PSC; EDC; BCC; QIC, etc.	MAC Project Manager with input from CMS.	3.5.4.2

Exhibits

No.	Activity	Description	Purpose	Frequency	Media	Audience	Responsibility	Ref.
9.	MAC Segment Transition Kickoff Meeting.	1 day meeting.	To review the upcoming Segment implementation and carrier/intermediary closeout activities.	One-time meeting for each segment implementation.	Face-to-face meeting with teleconference capability.	CMS: CO, PO, JIL, SIM/MISC, workgroup heads; MAC: PM, workgroup leads; Outgoing Contractor; PSC; EDC; BCBSA; BCC; QIC, etc.	MAC Project Manager.	3.5.4
10.	MAC Segment Transition Kickoff Meeting Documentation.	Minutes, record of discussion, and issues/action items.	To document the discussion and issues/action items from the Segment Kickoff Meeting.	3 days following meeting.	Memo via electronic mail.	All attendees.	MAC Project Manager.	3.5.4.2
11.	Segment Transition Contact List.	Contact list of segment kickoff meeting attendees and others to be involved in the project.	To ensure that appropriate segment transition personnel can be reached as needed throughout the transition.	Update and distribute as any changes are made.	Spreadsheet via electronic mail.	All attendees and workgroup members and others identified to be involved in the transition.	MAC Project Manager.	3.5.4.2
12.	Comprehensive Transition Workgroup Schedule/Calendar/Contact List.	Document in calendar format showing all workgroups, heads, members, meeting times, and dial-in teleconference numbers.	To provide a reference calendar of all workgroup meetings and information.	Update and distribute as any changes are made.	Calendar format via electronic mail.	CMS: PO, JIL, SIM/MISC; MAC: Project Manager; all workgroup members.	MAC Project Manager	3.6.5
13.	Transition Workgroup Agenda.	Standardized outline of workgroup topics with dial-in teleconference number	To provide participants with topics to be covered in the workgroup meeting.	One day prior to the meeting.	Memo via electronic mail.	CMS: JIL, SIM/MISC; MAC: PM, SPM; all workgroup members.	Workgroup Head.	3.6.5

No.	Activity	Description	Purpose	Frequency	Media	Audience	Responsibility	Ref.
14.	Transition Workgroup Meetings.	Meetings for the various functional workgroups.	To monitor transition tasks and issues of the functional area for which the workgroup has responsibility.	Weekly meetings throughout the jurisdiction/segment transition	Teleconference	All workgroup members.	Workgroup Head.	3.6.5
15.	Transition Workgroup Meeting Documentation.	Concise description of the workgroup meeting, issues, and action items.	To provide a record and to document issues and action items pertaining to the workgroup.	Two days after each meeting.	Memo via electronic mail.	All workgroup members; all other workgroup heads; CMS: JIL, SIM/ MISC; MAC: PM, SPM.	Workgroup Head.	3.6.5
16.	Jurisdiction Implementation Project Status Report.	Narrative of jurisdiction accomplishments by major tasks, issues/ concerns, action items, upcoming activities.	To communicate progress and performance against the project schedule, highlight issues, concerns, action items, etc. regarding the total jurisdiction implementation.	Biweekly alternating with the Segment Status Reports, at least 2 days prior to Jurisdiction Project Status Meeting.	Memo via electronic mail.	CMS: CO, PO, JIL, SIM/MISC; MAC: PM, SPM, workgroup heads; all other attendees of the Jurisdiction Kickoff Meeting/Contact List.	MAC Project Manager.	11.2.3
17.	Jurisdiction Project Status Meeting Agenda.	List of meeting topics with estimated times and dial-in teleconference number.	To provide participants with a description of topics to be discussed.	Biweekly at least 1 day before meeting.	Memo via electronic mail.	CMS: CO, PO, JIL, SIM/MISC; MAC: PM, SPM, workgroup heads; all other attendees of the Jurisdiction Kickoff Meeting/Contact List.	MAC Project Manager.	11.1.5
18.	Jurisdiction Project Status Meeting.	1-2 hour general status meeting.	To keep all parties involved in the transition informed about the overall transition status, to discuss progress and issues, track action items and deliverables, and to review the Jurisdiction Implementation Project Plan (JIPP).	Biweekly on the Segment Status Report/Meeting off-week	Conference call. Possible face-to-face meeting with teleconference capability	CMS: CO, PO, JIL, SIM/MISC; MAC: PM, SPM, jurisdiction-wide workgroup leads; PSC; EDC; BCC; BCBSA; QIC, etc.	MAC Project Manager.	11.1.5

Exhibits

No.	Activity	Description	Purpose	Frequency	Media	Audience	Responsibility	Ref.
19.	Jurisdiction Project Status Meeting Documentation.	List of attendees, discussion items, action items.	To provide a record and document the issues/action items from the bi-weekly jurisdiction project status meeting	3 days after meeting	Memo via electronic mail	All attendees	MAC Project Manager	11.1.5
20.	Jurisdiction Implementation Project Plan (JIPP).	Project plan listing major tasks/subtasks required for the MAC jurisdiction implementation, along with dates, duration, dependencies, and responsible parties.	To document all actions required for the MAC jurisdiction implementation, identify dependencies, and establish start/completion dates in order to monitor progress and to facilitate the communication process among the parties involved in the transition.	Submitted with proposal in accordance with Section L of the RFP. Baseline working document developed within 30 days after contract award.	Electronic. Project management software in, or convertible to, MS Project, MS Excel, or PDF format.	CMS: CO, PO, JIL, SIM/MISC; MAC: PM, SPM; outgoing carrier/intermediary.	MAC Project Manager. Input from all involved entities necessary for baseline JIPP. Baseline JIPP approved by CMS.	4.3.1 4.3.3
21.	Jurisdiction Implementation Project Plan (JIPP) Update.	Current information on the JIPP regarding project tasks, start and finish dates, dependencies, and completion percentage, including a list of tasks completed and off schedule.	To provide up-to-date information regarding all project tasks. This will allow the MAC Project Manager and all involved parties to effectively monitor and manage the overall project to ensure completion as scheduled.	Biweekly on the Segment Status Report/Meeting off-week. Submitted with the Jurisdiction Project Status Report.	Electronic. Project management software in, or convertible to, MS Project, MS Excel, or PDF format.	CMS: CO, PO, JIL, SIM/MISC; MAC: PM, SPM; outgoing carrier/intermediary.	MAC Project Manager.	11.2.2 4.3.3

Exhibits

No.	Activity	Description	Purpose	Frequency	Media	Audience	Responsibility	Ref.
22.	Segment Project Status Report.	Narrative description of segment accomplishments by major tasks, issues/ concerns, action items, upcoming activities.	To communicate progress and performance against the project schedule, highlight issues, concerns, action items, etc. regarding the segment implementation.	Biweekly alternating with the Jurisdiction Status Report, at least 2 days prior to Segment Project Status Meeting.	Memo via electronic mail.	CMS: JIL, SIM/ MISC; MAC: PM, SPM, work-group team leads; outgoing carrier/intermediary.	MAC Segment Manager.	11.2.6
23.	Segment Project Status Meeting Agenda.	List of meeting topics with estimated times and dial-in teleconference number.	To provide participants with a description of topics to be discussed.	Biweekly for each segment, at least 1 day before meeting.	Memo via electronic mail.	CMS: JTC, SIM/ MISC; MAC: PM, SPM, workgroup team leads; outgoing carrier/intermediary; EDC; BCBSA; PSC; BCC; QIC, etc.	MAC Segment Manager.	11.1.6
24.	Segment Project Status Meeting.	1-2 hour general status meeting.	To keep all parties informed about the segment transition status, to discuss progress and issues, track action items and deliverables, and to review the Segment Implementation Plan (SIPP).	Biweekly for each segment.	Conference call. Possible face-to-face meeting with tele-conference capability.	CMS: JIL, SIM/ MISC; MAC: SPM, workgroup team leads; outgoing carrier/intermediary; EDC; PSC; BCBSA; BCC; QIC, etc.	MAC Segment Project Manager	11.1.6
25.	Segment Project Status Meeting Documentation.	List of attendees, discussion items, action items.	To provide a record and document the issues/action items from the bi-weekly segment project status meeting.	3 days after meeting.	Memo via electronic mail.	All attendees.	MAC Segment Project Lead	11.1.6

Exhibits

No.	Activity	Description	Purpose	Frequency	Media	Audience	Responsibility	Ref.
26.	Segment Implementation Project Plan (SIPP).	Project plan listing major tasks/sub-tasks required for the MAC segment implementation, along with dates, duration, dependencies and responsible parties.	To document all actions required for the MAC segment implementation, identify dependencies, and establish start/completion dates in order to monitor progress and to facilitate the communication process among the parties involved in the transition	Draft due at segment kickoff meeting. Baseline document developed for each segment within 30 days of segment kickoff meeting.	Electronic. Project management software in, or convertible to, MS Project, MS Excel, or PDF format.	CMS: PO, JIL, SIM/ MISC; MAC: PM, SPM; outgoing carrier/intermediary.	MAC Segment Project Manager. In put from all involved entities necessary for baseline SIPP. Baseline SIPP approved by CMS.	4.3.2
27.	Segment Implementation Project Plan (SIPP) Update.	Current information on the SIPP regarding project tasks, start and finish dates, dependencies, and completion percentage, including a list of tasks completed and off schedule.	To provide up-to-date information regarding all project tasks. This will allow the MAC Segment Manager and all involved parties to effectively monitor and manage the overall project to ensure completion as scheduled.	Biweekly on the Jurisdiction Status Report /Meeting off-week. Submitted with the Segment Project Status Report.	Electronic. Project management software in, or convertible to, MS Project, MS Excel, or PDF format.	CMS: PO, JIL, SIM/ MISC; MAC: PM, SPM; outgoing carrier/intermediary.	MAC Segment Project Manager.	4.3.3 11.2.5
28.	Master List of Segment Issues Log/Action Items.	Comprehensive list that documents issues/action items for each segment including ID, date created, description, responsible party, status, date of resolution. Accumulated from the various segment workgroups.	To track segment transition issues and action items related to the project. Will be reviewed during the segment project status meetings.	Reviewed weekly and updated as required. Submitted with the biweekly Segment Project Status Report.	Distributed by electronic mail.	CMS: JIL, SIM/ MISC; MAC: SPM, PM; workgroup heads; outgoing carrier/intermediary; EDC; BCBSA; PSC; BCC; QIC, etc.	MAC Segment Project Manager	11.2.8

Exhibits

No.	Activity	Description	Purpose	Frequency	Media	Audience	Responsibility	Ref.
29.	Master List of Jurisdiction Issues Log/Action Items.	A list that documents jurisdiction-wide issues/action items for the overall jurisdiction including ID, description, date created, responsible party, status, date of resolution.	To track jurisdiction-wide transition issues and action items related to the project. Will be reviewed during the jurisdiction project status meetings.	Reviewed weekly and updated as required. Submitted with the biweekly Jurisdiction Project Status Report.	Distributed by electronic mail.	CMS: JIL, SIM/MISC; MAC: PM, SPM; jurisdiction-wide workgroup heads; outgoing carrier/intermediary.	MAC Project Manager	11.2.8
30.	Segment Communication Plan.	A general description and detailed schedule of how the MAC will educate and keep all segment transition stakeholders in formed of the progress of the implementation and how any changes may affect them.	To monitor communication activities and schedules for each segment.	Overall communication plan submitted as part of MAC's proposal. Specific segment communication plans developed within 30 days of each segment kickoff meeting.	Distributed by electronic mail.	CMS: SIM/MISC, JIL; MAC: SPM, PM; outgoing carrier/intermediary.	MAC Segment Project Manager with input from carrier/intermediary.	12.2 11.2.13
31.	Segment Communication Plan Update	Update on communication activities and schedules	To provide CMS with current information on communication activities and schedules.	Biweekly. Submitted with the Segment Implementation Project Status Report.	Distributed by electronic mail.	CMS: SIM, JIL; MAC: SPM, PM; outgoing carrier/intermediary.	MAC Segment Project Manager.	12.2 11.2.14

Exhibits

No.	Activity	Description	Purpose	Frequency	Media	Audience	Responsibility	Ref.
32.	Segment Test Plan.	A specific and detailed description of the resources, types of tests and schedule for each segment.	To monitor the testing of the MAC's claims processing system and operational environment prior to each segment cutover.	Overall jurisdiction testing approach submitted with the MAC's proposal. Baseline segment test plan developed within 30 days of segment kickoff meeting.	Distributed by electronic mail.	CMS: SIM, JIL; MAC: SPM, PM; appropriate workgroup heads.	MAC Segment Project Manager.	8.2 11.2.9
33.	Segment Test Plan Update.	Update on testing activities and schedules.	To track schedule progress and provide current information on testing.	Updated on a bi-weekly basis and submitted with the Segment Implementation Project Status Report.	Distributed by electronic mail.	CMS: SIM/MISC, JIL; MAC: PM, SPM; appropriate workgroup heads.	MAC Segment Project Manager.	8.2 11.2.10
34.	Risk Management Plan.	A plan that identifies and analyzes jurisdiction and segment-specific risks, prioritizes them, and provides mitigation strategies and contingency plans.	To assist in managing and monitoring segment risks and mitigation activities.	Submitted with the MAC's proposal. Any segment-specific risks incorporated within 30 days of segment kickoff meeting.	Distributed by electronic mail.	CMS: SIM/MISC, JIL; MAC: SPM, PM.	MAC Segment Project Manager.	14.2.4 11.2.15

Exhibits

No.	Activity	Description	Purpose	Frequency	Media	Audience	Responsibility	Ref.
35.	Risk Management Plan Update.	Update to risks based on periodic assessment or changed conditions.	To have up-to-date mitigation strategies and changes to the implementation environment.	As necessary, but at least monthly. Submitted with Jurisdiction Implementation Project Status Report.	Distributed by electronic mail.	CMS; SIM/MISC, JIL; MAC; SPM, PM.	MAC Project Manager.	14.2.5 11.2.16
36.	Employment Report.	A report of MAC employees hired during the implementation, broken down by location, functional or organizational area.	To allow CMS to track employment hiring activity.	Biweekly report to be submitted with the Jurisdiction Project Status Report.	Distributed by electronic mail.	CMS: JIL, SIM/MISC; MAC: PM, SPM.	MAC Project Manager.	5.1.3
37.	Segment Cutover Plan.	Day-by-day checklist of activities that need to be accomplished during the cutover period.	To assure that all tasks required for the transfer of Medicare files, records, equipment, etc. from the outgoing contractor are captured and tracked.	Submitted at least 45 days prior to the segment cutover date.	Distributed by electronic mail.	CMS: SIM/MISC, JIL; MAC: SPM, PM; outgoing carrier/intermediary; EDC; BCBSA; PSC; BCC; QIC, etc.	MAC Segment Project Manager.	9.2
38.	Segment Cutover Plan Update.	Updates to the cutover plan reflecting tasks completed.	To provide an up-to-date status of tasks required for cutover.	Daily during the segment cutover period (10-14 days prior to cutover.)	Distributed by electronic mail.	CMS: SIM/MISC, JTC; MAC: SPM, PM; outgoing carrier/intermediary; EDC; BCBSA; PSC; BCC; QIC, etc.	MAC Segment Project Manager.	9.4

Exhibits

No.	Activity	Description	Purpose	Frequency	Media	Audience	Responsibility	Ref.
39.	Segment Cutover Meeting.	Status meeting generally one-half to one hour in length.	To review the Segment Cutover Plan and progress of activities, including action items, concerns, risks, and contingencies.	Daily during the segment cutover period (10-14 days prior to cutover) and continuing at least one week after cutover.	Teleconference.	CMS: SIM/MISC, JIL; MAC: SPM, PM; outgoing carrier/intermediary; EDC; BCBSA; PSC; QIC; BCC, etc.	MAC Segment Project Manager.	9.4
40.	Cutover Meeting Documentation.	Brief synopsis of attendees, discussion items, and action items.	To document cutover meeting conference calls.	Prior to next daily meeting.	Memo via electronic mail.	All attendees of the Segment Cutover Meeting.	MAC Segment Project Manager.	9.4
41.	Provider Progress Report.	Daily report of numbers and percentages of providers completing EDI/EFT/DDE processes.	To track progress of EFT form completion, DDE registration/security, and provider/trading partner EDI set up and testing. Assists MAC in focusing efforts for completion of processes.	Daily at the start of the segment cutover period (10-14 days prior to cutover).	Memo via electronic mail.	CMS: SIM/MISC, JIL; MAC: SPM; outgoing carrier/intermediary.	MAC Segment Project Manager.	9.5
42.	File Transfer Plan.	Description of Medicare files and records to be transferred by type, how and where they will be moved, and schedule.	To assist CMS in monitoring file preparations and the relocation of files.	Submitted to CMS at the start of the cutover period (10-14 days prior to cutover).	Distributed by electronic mail	CMS: SIM/MISC, JIL; MAC: SPM; outgoing carrier/intermediary.	MAC Segment Project Manager with input from outgoing carrier/intermediary.	9.7.2

Exhibits

No.	Activity	Description	Purpose	Frequency	Media	Audience	Responsibility	Ref.
43.	Segment Production Workload Report.	Operational statistics from production, including claims, correspondence, and customer service as they pertain to the segment workload that has been cut over. Format and content specified by CMS.	To aid in monitoring operations and implementation issues in the post-cutover period as they pertain to the segment that has cut over.	Daily for at least the first 2 weeks after cutover. Frequency after the first 2 weeks will be determined by CMS.	Distributed by electronic mail.	CMS; PO, JIL, SIM/MISC; MAC; SPM	MAC Segment Project Manager.	10.4 Ex. 6
44.	Post Project Review (Lessons Learned).	A discussion of segment transition successes and areas that could be improved.	To document lessons learned and suggested improvements for the next segment transition. A compilation of lessons learned from all parties involved in the transition will be used as the basis for the Post Project Review Meeting.	One time. Due 4-6 weeks after cutover of each segment. MAC will also compile lessons learned from other involved parties into a single document and distribute 1 week prior to the Post-Project Review Meeting.	Distributed by electronic mail.	CMS; SIM/MISC, JIL; MAC; PM, SPM; outgoing carrier/intermediary; EDC; BCBSA; PSC; BCC; QIC, etc.	MAC Project Manager with input from project leads of all parties involved in the transition.	10.7
45.	Post-Project Review Meeting (Lessons Learned).	3-4 hour meeting.	To discuss segment transition practices that worked well and areas for improvement for future transitions.	One time. Approximately 4-6 weeks following each segment cutover.	Teleconference or possible face-to-face meeting.	CMS; SIM/MISC, JIL; MAC; PM, SPM; outgoing carrier/intermediary; EDC; BCBSA; PSC; BCC; QIC, etc.	MAC Project Manager.	10.8

Exhibit 8 Glossary

Base/Non-base: Base/Non-base refers to those applications and interfaces that are part of core system processing and provided by the Medicare shared systems (base), and those that are not provided or maintained as part of the shared system (non-base). Examples of non-base processes include print/mail, ANSI translation, management reports, ICR/OCR imaging, data analysis, and scanning.

Closeout: The period of time from the MAC's contract award to the end of the outgoing contractor's Medicare business operations during which the carrier/intermediary carries out its plan to close down operations and transfer Medicare functions to the MAC.

Contract Modification: A change to the written terms of a FAR contract.

Cutover: The actual point at which the outgoing Medicare carrier/intermediary ceases Medicare operations and the MAC begins to perform Medicare business functions.

Cutover Period: The period of time surrounding the actual cutover. The cutover period normally begins 10-14 days prior to the cutover and ends with the MAC's segment operational date; i.e., when the MAC begins normal business operations for the segment workload that it assumed at cutover. During the cutover period the outgoing contractor makes final preparations to shut down its operation and transfer its claims workload and administrative activities to the MAC. Correspondingly, the MAC makes final preparations for the receipt and utilization of Medicare files, data, and acquired assets.

Dark Day: A business day during the cutover period when the Medicare claims processing system is not available for normal business operations. System dark days may occur between the time the outgoing contractor ends its regular claims processing activities and the MAC begins its first day of normal business operations for the segment.

Deliverable: 1) Information and documents that are requested from the outgoing contractor or other parties involved in a transition as part of the MAC's due diligence. 2) Information, documents, reports, items, services, etc., that the MAC is required to provide to CMS as part of its FAR contract.

Dim Day: A business day during the cutover period when there is some limited access to the Medicare claims processing system. It normally occurs after the actual cutover when the incoming MAC is validating its system and checking out its operation. As various components of the system are validated, such as DDE and the IVR, they will become available for access by providers during that business day. Customer service representatives may also be able to respond to certain inquiries.

FQHC/RHC Migration: The movement of Federally Qualified Health Clinics and Rural Health Clinics claims to the appropriate MAC. The FQHC/RHC migration will

Exhibit 8 Glossary (Cont.)

occur after each MAC has implemented all of its segments and will be handled on its own separate track.

Implementation: The period of time beginning with the award of the MAC contract and ending with the operational date of the MAC. During this period, the MAC performs all of the activities specified in its implementation plan to ensure the effective transfer of Medicare functions from each outgoing carrier or intermediary within the jurisdiction.

Joint Operating Agreement (JOA): A document that describes the interaction between a functional contractor and the MAC. It describes the work to be accomplished, the responsibilities of each party, and how disputes are resolved.

Jurisdiction: The territory in which the Medicare Administrative Contractor will contractually perform its Medicare functions.

Legacy Contractor: A Medicare Part A fiscal intermediary or a Part B carrier.

Listserv: An electronic mailing list that Medicare contractors use to notify registrants of important Medicare program matters and information.

Medicare Administrative Contractor (MAC): The incoming contractor that will assume the Medicare Part A and B functions from a carrier or fiscal intermediary.

Medicare Claims Processor: A Part A fiscal intermediary, Part B carrier, or Medicare Administrative Contractor

Medicare Data: Any representation of information, in electronic or physical form, pertaining to Medicare beneficiaries, providers, physicians, or suppliers, or necessary for the contractual administration thereof, that is received, maintained, processed, manipulated, stored, or provided to others in the performance of functions described in a Medicare contract.

Medicare Record: A collection of related items of Medicare data treated as a unit.

Medicare File: A set or collection of related Medicare records treated as a unit

Operational Date: The date that the MAC assumes all Medicare functions from an outgoing Medicare carrier or fiscal intermediary and is capable of processing Medicare claims.

Outgoing Contractor: The Medicare carrier or fiscal intermediary whose functions will be assumed by the MAC.

Exhibit 8 Glossary (Cont.)

Out-of-Jurisdiction Provider: A provider that is being serviced by a MAC that is not located within the MAC's jurisdiction. All out-of-jurisdiction providers will be moved to their appropriate MACs after all of the MAC jurisdiction implementations have been completed.

Post-Contract Period: The six-month period beginning with the end of the outgoing carrier or intermediary's Medicare contract. During this time, the outgoing contractor maintains the Federal Health Insurance Benefits account, completes financial reporting and performs related closeout business activities.

Post-Cutover Period: generally the MAC's first three months of Medicare operation for a segment implementation, during which workload and performance are monitored and any problems associated with the implementation are resolved.

Pre-Award Phase: The period of time prior to award of the MAC contract where CMS is preparing for and conducting the MAC procurement and performing informational activities pertaining to the affected Medicare carriers and intermediaries.

Provider: an organization or individual who is providing a Medicare service; i.e. an institutional provider, physician, non-physician practitioner, or supplier.

Segment: The Medicare Part A or Part B workload which a carrier or intermediary processes and which will be transferred to the MAC. There may be multiple Part A/ Part B workloads in one segment. All jurisdiction transitions will involve multiple segment transitions.

Split/Merge: a split involves the separation of all electronic records in one processing region into two separate sets of records, generally split by state. A merge combines separate processing regions into one region to allow for more efficient and less costly data processing.

Technical Direction: Providing technical details, information, or direction that will help the MAC accomplish the requirements of the statement of work. Technical direction is the responsibility of the Project Officer, but he/she cannot change the work in the SOW, costs, or the terms, conditions, or specifications of the contract.

Transition: The entire scope of activities associated with moving the functions of Medicare fee-for-service carriers and intermediaries to the Medicare Administrative Contractors. It includes implementation activities of the MAC, closeout activities of the outgoing contractor, and the activities of other parties involved in the transition.

Exhibit 8
Glossary (cont.)

Transition Monitoring: A responsibility of CMS to ensure that Medicare functions are properly transferred from each outgoing Medicare carrier or fiscal intermediary to the MAC. Transition monitoring begins with the award of the MAC contract and ends three months after the operational date of the MAC for each outgoing contractor.

Exhibit 9 Acronyms

ASCR	Audit Selection Criteria Report
ASPEN	Automated Survey Processing Environment
ACD	Automated Call Distributor
ACH	Automated Clearing House
AdQIC	Administrative Qualified Independent Contractor
ART	Analysis, Reporting, and Tracking System
BCBSA	Blue Cross and Blue Shield Association
BCC	Beneficiary Contact Center
BESS	Part B Extract and Summary System
BFE	Business Function Expert
BFL	Business Function Lead
CAFM	Contractor Administrative Budget and Financial Management
CAT	Contract Administration Team
CERT	Comprehensive Error Rate Testing
CICS	Customer Interface Communications System
CMIS	Contractor Management Information System
CMM	Center for Medicare Management
CMS	Centers for Medicare and Medicaid Services
CNI	Chickasaw Nation Industries
CO	Central Office
CO	Contracting Officer
COB	Coordination of Benefits
COBA	Coordination of Benefits Administrator
COBC	Coordination of Benefits Contractor
COI	Conflict of Interest
COTS	Commercial Off-the-Shelf
CPE	Contractor Performance Evaluation
CR	Change Request
CROWD	Contractor Reporting of Operational and Workload Data
CRSL	Cost Report Settlement Log
CSAMS	Customer Service Assessment and Management System
CSR	Customer Service Representative
CTA	Cooperative Transition Agreement
CWF	Common Working File
DASD	Data Access Storage Device
DCN	Document Control Number
DCS	Delinquent Debt Collection System
DDE	Direct Data Entry
DNF	Do Not Forward
DHHS	Department of Health and Human Services
DMERC	Durable Medical Equipment Regional Carrier
DNF	Do Not Forward
ECRS	Electronic Correspondence Referral System

Exhibit 9
Acronyms (Cont.)

EDC	Enterprise Data Center
EDI	Electronic Data Interchange
EFT	Electronic Funds Transfer
EMC	Electronic Media Claims
ERA	Electronic Remittance Advice
ERN	Electronic Remittance Notice
FACP	Final Administrative Cost Proposal
FAQ	Frequently Asked Question
FAR	Federal Acquisition Regulations
FFS	Fee-for-Service
FI	Fiscal Intermediary
FOIA	Freedom of Information Act
FISS	Fiscal Intermediary Standard System
FQHC	Federally Qualified Health Clinic
GAO	Government Accountability Office
GFE	Government Furnished Equipment
GFP	Government Furnished Property
GTL	Government Task Leader
HHH	Home Health and Hospice
HGTS	Harkin Grantee Tracking System
HIGLAS	Healthcare Integrated General Ledger Accounting System
HIPAA	Health Insurance Portability and Accountability Act
IACS	Individuals Authorized to Access CMS Systems
IBPR	Intermediary Benefit Payment Report
ICOR	Interactive Correspondence Online Reporting
IDIQ	Indefinite Delivery/Indefinite Quantity
IER	Interim Expenditure Report
IOM	Internet Only Manual
ISO	International Organization for Standardization
IT	Information Technology
IVR	Interactive Voice Response
JIL	Jurisdiction Implementation Lead
JIPP	Jurisdiction Implementation Project Plan
JOA	Joint Operating Agreement
JOSD	Jurisdiction Operational Start Date
JSM/TDL	Joint Signature Memorandum/Technical Direction Letter
LAN	Local Area Network
LCD	Local Coverage Determination
LOLA	Limited On Line Access
MAC	Medicare Administrative Contractor
MCMG	Medicare Contractor Management Group
MCR	Medicare Contracting Reform
MCS	Multi-Carrier System

Exhibit 9
Acronyms (Cont.)

MDCN	Medicare Data Communications Network
MED	Medicare Exclusion Database
MISC	Medicare Implementation Support Contractor
MMA	Medicare Prescription Drug, Improvement and Modernization Act of 2003
MOU	Memorandum of Understanding
MPaRTS	Mistaken Payment Recovery Tracking System
MR	Medical Review
MSN	Medicare Summary Notice
MSP	Medicare Secondary Payer
NARA	National Archive and Record Administration
NGD	Next Generation Desktop
NIH	National Institutes of Health
NOBA	Notice of Budget Authorization
OAGM	Office of Acquisition and Grants Management
ODIE	Online Data Input and Edit
OFM	Office of Financial Management
OIS	Office of Information Services
OIG	Office of the Inspector General
OSCAR	Online Survey Certification and Reporting System
PECOS	Provider Enrollment, Chain and Ownership System
PI	Program Integrity
PIES	Provider Inquiry Evaluation System
PIMR	Program Integrity Medical Review
PO	Project Officer
POC	Point of Contact
POR	Provider Overpayment Reporting
PSC	Program Safeguard Contractor
PSOR	Physician and Supplier Overpayment Report
PTS	Provider Tracking System
QASP	Quality Assurance Surveillance Plan
QCM	Quality Call Monitoring
QWCM	Quality Written Correspondence Monitoring
QIO	Quality Improvement Organization
QIC	Qualified Independent Contractor
RAC	Recovery Audit Contractor
RACF	Resource Access Control Facility
RCP	Report of Contractor Performance
ReMAS	Recovery Management and Accounting System
RFC	Request for Contract
RFP	Request for Proposals
RHC	Rural Health Clinic
RHHI	Regional Home Health Intermediary
RO	Regional Office

Exhibit 9
Acronyms (Cont.)

SADBUS	Small and Disadvantaged Business
SAS 70	Statement on Auditing Standard, Number 70
SBR	Supplemental Budget Request
SIPP	Segment Implementation Project Plan
SMART	System for MSP Automated Recovery and Tracking
SOSD	Segment Operational Start Date
SOW	Statement of Work
SSA	Social Security Administration
SSM	Shared System Maintainer
SIM	Segment Implementation Manager
STAR	System Tracking Audit and Reimbursement System
STC	Single Testing Contractor
TM	Technical Monitor
UAT	User Acceptance Testing
VMS	ViPS Medicare System
WAN	Wide Area Network
WBS	Work Breakdown Structure
WIC	Western Integrity Center
ZPIC	Zone Program Integrity Contractor (PSC)

Index

-A-

Access to CMS systems, 5-11
 Accounts receivable reconciliation, 13-2
 Acronyms, Exhibit 9
 Administrative Qualified Independent Contractor (AdQIC), 7-5

-B-

Bank agreement, 13-1
 Beneficiary Contact Center, 7-4
 Business function lead, 2-3

-C-

CMS project organization, 2-1
 CMS system access, 5-11
 Communications:
 ARU/IVR, 12-7
 beneficiary, 12-5
 Congressional contact, 12-2
 cutover, 9-9
 in-house, 12-6
 listserv, 12-7
 provider, 12-3
 segment communication plan, 12-1
 Social Security Administration, 12-6
 state and local government, 12-3
 transition partners, 12-6
 website, 12-6
 Connectivity, *see telecommunications*.
 Contact with outgoing contractor, 3-1, 4-4
 Contract deliverables, 4-12
 Contracting Officer:
 Carrier/Intermediary, 2-4
 MAC, 2-1
 Contractor manager, 2-4
 Contractor number, 4-5
 Contractor Performance Evaluation (CPE), 4-9
 Coordination of Benefits Contractor, 7-6
 Cutover (*also see post-cutover*):
 communication with providers, 9-9
 completion of financial reports, 9-8
 daily meeting, 9-3
 dark day, 9-3

Cutover (cont.):
 dim day, 9-4
 file transfer plan, 9-5
 plan, 9-1
 sequence of cutover activities, 9-7
 workgroup, 9-2

-D-

Dark days, 9-3
 Data center, *see enterprise data center*
 Definitions:
 closeout, 1-4
 contract deliverable, 4-12
 cutover, 9-1
 cutover period, 9-1
 deliverable, 4-12
 implementation, 1-4
 incoming contractor, 1-4
 legacy contractor, 1-4
 outgoing contractor, 1-4
 post-cutover, 9-1
 provider, 1-4
 transition, 1-4
 Deliverables, *see deliverables list. Also see contract deliverables*.
 Deliverables list, 4-11
 Dim day, 9-4
 Documentation (*also see Exhibit 7*):
 Issues log/action items, 11-7
 Jurisdiction Implementation Project Plan, 11-4
 Jurisdiction Implementation Project Plan update, 11-4
 Jurisdiction implementation project status report, 11-4
 Lessons learned, 11-9
 Post-cutover workload report, *see segment production workload report*.
 Provider progress report, 9-3
 Risk management plan, 11-9
 Risk management plan update, 11-9
 Segment communication plan, 11-8
 Segment communication plan update, 11-8

Documentation (Cont.):

- Segment cutover plan, 11-8
 - Segment Implementation Project Plan, 11-6
 - Segment Implementation Project Plan update, 11-6
 - Segment production workload report, 10-2, 11-8, Exhibit 6
 - Segment project status report, 11-6
 - Segment test plan, 11-7
 - Segment test plan update, 11-7
 - Workgroup meeting minutes, 11-7
- Due diligence, *see obtaining outgoing contractor information.*

-E-

Edits, 4-7

Electronic data interchange (EDI):

- assessment, 5-9
 - communication, 5-9
 - connectivity, 5-8
 - enrollment, 5-8
 - translators, 5-8
- Electronic funds transfer (EFT), 5-10
- Enterprise data center, 5-6, 7-1

-F-

File Transfer Plan, 9-5

Files:

- Disposition, 6-9
- File transfer plan, 9-5
- Final inventory, 9-5
- Inventory, 6-8
- Packing, 9-6
- Retention, 6-9
- Transfer, 9-7

Files to be transferred to MAC, Exhibit 5

Forms:

- CMS-588 5-10, 9-3
- IRS Form 1099, 13-4

-G-

Goals of a successful transition, 1-5

Glossary, Exhibit 8

-H-

HIGLAS, 7-4, 9-4

Hiring of outgoing contractor employees, 3-2

-I-

Implementation:

- Costs, 13-4
 - Definition, 1-4
 - Segment, 1-3
- Implementation project plan:
- Jurisdiction, 4-1
 - Segment, 4-2
 - Structure, 4-3

Incoming contractor, *see Medicare Administrative Contractor.*

Initial transition activities, 3-1

Interaction with outgoing contractor, *see contact with outgoing contractor.*

IRS Form 1099, 13-4

-J-

Jurisdiction Implementation Lead, 2-1

Jurisdiction Implementation Project Plan, *see implementation project plan*

Jurisdiction kickoff:

- Jurisdiction kickoff meeting, 3-4
- MAC pre-meeting, 3-3
- Outgoing contractor pre-meeting, 3-4
- Post-award orientation conference, 3-8
- Segment kickoff meeting, 3-6

Jurisdiction Transition Coordinator, *see Jurisdiction Implementation Lead.*

-K-

Kickoff, *see jurisdiction kickoff and segment kickoff.*

-L-

Legacy contractor, 1-4

Lessons learned, 3-4, 10-3

Letter of credit, 13-1

Local Coverage Determinations (LCD), 4-7

-M-

MAC pre-meeting, 3-3

Medicare Administrative Contractor:

- Access to CMS systems, 5-11
- Definition, 1-4
- Employee recruitment, 3-2, 5-1, 5-2
- Employment report, 5-2
- Facilities preparation, 5-3

Medicare Administrative Contractor (cont.):
Hardware/software, 5-3
telecommunications, 5-4, 5-6
training, 5-2
Medicare Implementation Support Contractor (MISC), 2-2
Medicare Secondary Payer Recovery Contractor, 7-7
Meetings (*also see Exhibit 7*):
Cutover, 11-3
Jurisdiction kickoff, 3-4, 11-2
Jurisdiction project status, 11-2
MAC pre-meeting (kickoff), 3-3, 11-1
Outgoing contractor pre-meeting, 3-4
Post-award orientation conference, 3-8, 11-1
Post-Project review (lessons learned), 10-4, 11-3
Segment kickoff, 3-6, 11-2
Segment project status, 11-2
Workgroup, 3-11, 11-3

-O-

Obtaining outgoing contractor information (*also see 4-5, 6-1, Exhibit 4*):
Appeals, 6-4
Claims processing, 6-2
Contractor Performance Evaluation (CPE), 4-9
Customer service, 6-2
Due diligence, 4-6, 4-10, 6-1
Edits, 4-7
Internal controls, 4-9
Local Coverage Determinations, 4-7
Medical review, 6-3
Medicare Secondary Payer (MSP), 6-3
Operational assessment, 4-6, 4-10, 6-1
Performance Improvement Plan (PIP), 4-9
Performance waiver, 4-10
Print/mail operations, 6-7
Provider audit and reimbursement, 6-4
Provider education/training, 6-6
Provider enrollment, 6-6
Staffing levels, 4-9
Workload, 4-8

On-site presence, 4-4
Operational assessment, *see obtaining outgoing contractor information*
Outgoing Contractor:
Access to files after cutover, 10-3
Outgoing Contractor (cont.):
Asset inventory, 5-4
Completion of financial reports, 9-8
Contractor Performance Evaluation (CPE), 4-9
Cooperation, 3-2
Definition, 1-4
Documentation, Exhibit 4
File inventory, 6-8, 9-5
Information, *see obtaining outgoing contractor information*
Internal controls, 4-9
Performance evaluation, 4-9
Performance waiver, 4-10
Pre-meeting (kickoff), 3-4
Recruitment of staff, 3-2, 5-1
Staffing levels, 4-9
Workload, 4-8

-P-

Payment cycle, 13-1
Payment vouchers, 13-3
Performance Improvement Plan, *see Contractor Performance Evaluation*
Periodic interim payment coordination, 13-1
Post-award orientation conference, 3-8
Post-cutover:
Assisting outgoing contractor, 10-3
First day of operations, 10-1
Implementation project closeout, 10-4
Lessons learned, 10-3
Monitoring of operations, 10-1
Outgoing contractor access to Medicare files, 10-3
Post-project review, 10-4
Workload reporting, 10-2
Print/mail, 6-7
Program Safeguard Contractor, 7-2
Project Officer, 2-1
Project plan, *see implementation project plan*.

Provider:

- definition, 1-4
- education/training, 6-6
- communication, 12-3

-Q-

Qualified Independent Contractor (QIC), 7-5

Quality Improvement Organization (QIO), 7-6

-R-

- Record retention, 6-9
- Recovery Audit Contractor (RAC), 7-7
- Reports, *see documentation.*
- Risk management, 14-1

-S-

- Segment implementation, 1-3
- Segment implementation manager, 2-2
- Segment Implementation Project Plan, *see implementation project plan.*
- Segment kickoff, 3-6
- System access (CMS), 5-11

-T-

- Technical direction, 2-3
- Technical monitors, 2-3
- Telecommunications :
 - Data, 5-4
 - Points of emphasis, 5-6
 - Voice, 5-6

Terminology, 1-4

Testing, 8-1

Test Plan, 8-1

Transition :

- Definition, 1-4

- Tasks and activities, Exhibit 3

- Workgroups, 3-9

Types of Tests:

- Connectivity/shared system validation, 8-2

- EMC, 8-5

- End-to-end, 8-4

- File conversion, 8-3

- Interface, 8-3

- Release, 8-5

- Stress, 8-4

- System, 8-3

- Volume, 8-5

-V-

Vouchers, *see payment vouchers.*

-W-

Workgroups: 3-9

- Administration, 3-11

- Functions, 3-11

- Participants, 3-9

- Responsibilities of workgroup head, 3-9

- Scope, 3-10

