CMS

CENTERS FOR MEDICARE & MEDICAID SERVICES

DURABLE MEDICAL EQUIPMENT
MEDICARE ADMINISTRATIVE CONTRACTOR

WORKLOAD IMPLEMENTATION HANDBOOK

MEDICARE CONTRACTOR MANAGEMENT GROUP

01/12/06

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EXHIBITS 1

Chapter 1: INTRODUCTION

1.1 Durable Medical Equipment Medicare Administrative Contractor Workload Implementation Handbook

This handbook was prepared by CMS to assist the Durable Medical Equipment Medicare Administrative Contractor (DME MAC) in moving Medicare data, records, and operational activities from current DME Regional Carriers (DMERCs) so that it will be able to perform its Medicare contractual obligations. The handbook describes the basic responsibilities and processes required for a DME MAC to assume Medicare claims administration functions for a DME specialty jurisdiction. While both the DME MAC and the departing DMERC are responsible for accomplishing various activities during the transition, this handbook is intended for use by the incoming DME MAC. A similar Closeout Handbook will be developed for outgoing DMERCs.

Every Medicare workload transition will vary depending on the unique circumstances and environment of the Medicare contractors involved. This handbook cannot identify and address all of the variations that may occur during a workload transition, but it will provide the framework for addressing situations as they arise.

This handbook is for information and assistance only. It represents a compilation of best practices, lessons learned, and over 25 years of CMS experience in overseeing Medicare workload transitions. It contains a wealth of information, CMS suggestions, and corresponding expectations. **The material in this handbook is not contractually binding and it does not supersede any contractual requirement of the RFP.** However, it is possible that portions of the handbook, or variations thereof, may be incorporated into the contract after negotiations with the Contracting Officer.

This handbook was modified from a handbook that was developed for inclusion with the A/B Medicare Administrative Contractor Request for Proposals (RFP.) Every effort has been made to modify the text so that it will pertain solely to the Medicare functions that a DME Medicare Administrative Contractor will perform. However, there may be some instances where information in this handbook does not apply to a DME MAC.

1.1.1 Chapters

The Handbook comprises 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 DME MAC may take for the implementation project. It includes the assessment of the DMERCs Medicare operation and a discussion on information and deliverables required from the DMERC.

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 DME Operations** describes the activities associated with moving the actual workload and Medicare functions of the DMERC. 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 DME 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 DME 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 activities associated with the final preparations and discusses the migration of files and data, both physically and electronically, as well as resources and infrastructure. The chapter also provides information on cutover plans and system dark days.

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 DME 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 vouching 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 CMS Transition Oversight Organizational Chart

Exhibit 3 Major Tasks and Activities Associated with a Workload Transition

Exhibit 4 Sample of Deliverables Requested from Outgoing Contractors

Exhibit 5 Files to be Transferred to a Medicare Administrative Contractor

Exhibit 6 Sample Workload Report

Exhibit 7 DME MAC Workload Implementation Meetings and Documentation

Exhibit 8 Glossary

Exhibit 9 Abbreviations

1.2 Transition Phases

A Medicare workload transition involves three major participants: the incoming DME contractor (DME MAC), the outgoing contractor (DMERC) and CMS. Each transition has three major phases. For a DME 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 DME MAC proposal. The **implementation phase** covers the activities associated with establishing a DME MAC operation and the transfer of data, records, and functions from the outgoing DMERC. It begins with the award of a DME MAC contract and ends at the cutover from the outgoing contractor. The **post-cutover phase** begins with the operational start date and continues for a period of time, usually three months. During this time CMS closely monitors DME MAC operations to determine if the implementation was successful and to ensure that all implementation issues have been resolved.

This handbook provides guidance and information that will assist the DME 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 Terminology

For purposes of this handbook, the DME Medicare Administrative Contractor who will be responsible for Medicare functions in a DME specialty jurisdiction is referred to as the "incoming contractor", "DME MAC", or "MAC." All three terms are used interchangeably.

The term "outgoing contractor" refers to a DME Regional Carrier who is performing Medicare functions under Title XVIII of the Social Security Act and whose regional workload will be assumed by one or more DME Medicare Administrative Contractors. The terms "outgoing contractor", "outgoing DMERC, or "DMERC" are used interchangeably throughout this document.

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.

During the transition period, the term "transition" will be applied to activities that are being performed by more than just the DME MAC; i.e., others involved in the project such as the DMERC, data center, etc. The term "implementation" is used for those activities normally associated with just the DME MAC. The term "closeout" is used for those activities performed by the outgoing DMERC. However, in general usage, the term "transition" often will be applied to DME MAC implementation activities.

1.4 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 DME Medicare Administrative Contractor, maintenance of existing

operations by the outgoing DMERC, 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 DME MAC in achieving its 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 closeout activities of the DME Regional Carrier and the implementation activities of the DME Medicare Administrative Contractor. Listed below are the CMS individuals with monitor DME 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 DMERC.

2.1 CMS Transition Personnel: DME MAC Contract

The following individuals will be responsible for the implementation and/or operational activities of the DME MAC. The individuals below will also interact with the DMERC in various meetings and workgroups. Except for the Transition Manager, CMS DME MAC contract transition personnel will not be responsible for DMERC closeout activities during the transition. A CMS administrative organizational chart for the DME MAC contracts is shown in **Exhibit 2.**

2.1.1 DME MAC Contracting Officer

The DME MAC Contracting Officer (CO) has the overall responsibility for the incoming DME MAC 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 DME 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 DMERC CO and the DME MAC Contracting Officer, in the present CMS organizational structure they are two different people.

2.1.2 DME MAC Project Officer

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

2.1.3 CMS Transition Manager

The CMS Transition Manager will be the individual responsible for monitoring, trouble-shooting, problem solving, and reporting the day-to-day activities for the transition of DMERC operations, records, and data to the incoming DME MAC. The Transition Manager will work with the DMERC Contractor Manager and the DMERC Contracting Officer, as well as the DME MAC Project Officer, to manage and coordinate all transition activities of the DMERC and DME MAC, and provide input on technical, costs, payment vouchers, and schedule-related issues. He/she will also coordinate DME MAC implementation activities with the various functional area BFLs working with the DME MAC Project Officer.

2.1.4 Business Function Lead

Business Function Leads (BFLs) will assist the Project Officer and will serve as the technical representative for their specific business function within the DME MAC contract. They will assist the PO with specific functional inquires and technical issues. They will also monitor and analyze activities and deliverables. In addition, they will review monthly invoices and vouchers pertaining to their area and make payment recommendations to the PO. The BFL is not authorized to direct any technical changes or make any contractual commitments or changes on CMS's behalf.

2.1.5 Technical Monitor

Technical Monitors (TMs) may be designated to work with the BFL and/or the Project Officer on an as needed basis to monitor and evaluate specific activities within an overall functional area.

2.2 CMS Transition Personnel: DMERC Contract

The following are the key CMS individuals (along with the abovementioned CMS Transition Manager) that the DMERC will have contact with for the activities related to the transfer of its Medicare operations, records, and data to the incoming DME MAC.

2.2.1 DMERC Contracting Officer

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

2.2.2 DMERC Contractor Manager

The Contractor Manager for the outgoing DMERC is the CMS individual responsible for monitoring the day-to-day operational activities of the outgoing DMERC. He/she will be responsible for ensuring that the DMERC continues to maintain its overall operation

and performance during the closeout period. The Contractor Manager will work closely with the CMS Transition Manager to ensure that the DMERC cooperates with the DME MAC during the transition and that all Medicare files, records, and data are successfully transferred to the incoming DME MAC.

Chapter 3: GETTING STARTED

3.1 Contract Award

The Contracting Officer will place a call to inform the DME 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 DME MAC may also issue its own press release.

3.2 Post-Award Orientation Conference

A post-award orientation conference with the DME MAC may be called by the Contracting Officer after the notification of contract award. It will usually be held within 10 days after contract award. The CO will determine the time and location of the meeting, prepare the agenda, and notify the participants. The conference may be held in conjunction with the DME specialty jurisdiction kickoff meeting (see **Chapter 3.6**).

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 DME MAC understands the roles of Government personnel who will be involved in administering the DME 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 upcoming DME jurisdiction kickoff meeting may also be discussed.

Although the DME MAC will have proposed an implementation schedule based on the information provided in the Request for Proposal (RFP), it is possible that CMS may negotiate with the DME MAC to revise its implementation plan or schedule to coordinate implementation efforts with other DME MACs. Should this occur, CMS and the MAC will reach agreement on any additional costs associated with the changes and the contract will be modified accordingly.

3.3 Initial Transition Activities

The DME MAC will have a transition team as described in its proposal and composed of a Project Manager and staff who are responsible for the major implementation tasks shown in the Implementation Project Plan. A transition team member will usually be assigned as lead for each major implementation task or workgroup and will report directly to the Project Manager.

An internal meeting with all key DME MAC transition members (project manager, transition analysts, potential workgroup leaders, subject matter experts) should be held after contract award to plan and prepare for the upcoming project, the kick-off meeting,

and to handle administrative details. Also, 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 DME MAC should begin to baseline the project plan. Tools to assist the team in managing the project can be identified and discussed. Team training in project plan monitoring, 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 DMERC will also form a transition 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 DME MAC for the orderly transfer of all Medicare functions.

CMS will also form a transition team as described in **Chapter 2** and graphically depicted in **Exhibit 2.**

3.4 Contact with Outgoing Contractor

After CMS has publicly announced the contract award and implementation schedule, it is suggested that telephone contact be made with the outgoing DMERC. The call is usually made by upper management, and will serve as an introduction to the DME MAC. Areas of discussion may include any proposed staff retention, 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 DME MAC may also make introductory calls to the major professional organizations (medical societies, specialty groups, etc.). Congressional contact should also be made.

3.5 Outgoing Contractor Employee Notification

After the award of the DME MAC contract, the DMERC will begin to plan for its contract closeout. If the MAC will make employment offers to any or all of the outgoing contractor's employees, that information should be communicated to the DMERC as soon as possible after contract award. Plans should be coordinated with the DMERC to notify the employees affected and a face-to-face meeting should be scheduled as soon as possible. Employee commitment to the transition is critical and knowledge that they will be retaining their jobs will greatly facilitate the transition process and alleviate fears regarding employees' futures.

If the DME MAC will be hiring outgoing contractor staff, a human resources representative from the MAC should be on site regularly to address employee concerns and provide detailed information on benefits and employment. A comparison of outgoing contractor employee benefits versus incoming contractor benefits should be made as soon as possible. The comparison should explain the differences between

employee benefits provided by both organizations. Meetings should be scheduled with staff to be hired to discuss differences in benefits and provide information on what will occur at cutover. The DME MAC may also contribute transition-related articles to the outgoing contractor's employee newsletter.

3.6 DME Jurisdiction Kickoff Meeting

While the post-award orientation conference is a meeting between CMS and the DME MAC, the DME jurisdiction kickoff meeting is intended for all parties involved in the transition.

3.6.1 Purpose

The kickoff meeting provides the opportunity for all parties to meet face-to-face to discuss the approach to the project, go over the schedule, review roles and responsibilities, and address any concerns about the upcoming transition. Teleconferencing should be available for those individuals or organizations that will not attend in person.

3.6.2 Logistics

The MAC will be responsible for setting up the meeting and shall consult with CMS regarding the time and location. The meeting is normally held 10-15 days after contract award and after any post-award orientation conference (see **Chapter 3.2.**) The jurisdiction kickoff meeting may be held in conjunction with the post-award orientation conference. Generally, kickoff meetings are held at a convenient location within the jurisdiction or at the proposed operational site of the DME MAC. The MAC will obtain the facilities for the meeting, provide toll-free phone lines for off-site participants, develop an agenda (with CMS input), and notify attendees; however, CMS will moderate the meeting. This will be the only meeting that CMS will moderate; all other meetings/ teleconferences will be the responsibility of the DME MAC. Meeting minutes and an attendance sheet/contact list should be prepared by the MAC and sent to all those attending the meeting.

3.6.3 Attendees

All parties directly involved in the transition should be invited to attend: CMS, the DME MAC, the outgoing DMERC, applicable data centers, the VMS DME standard system maintainer, National Supplier Clearinghouse (NSC), Data Analysis and Coding (DAC), and functional contractors such as the Program Safeguard Contractor (PSC), Qualified Independent Contractor (QIC), and beneficial customer service contractor. If another DMERC will be moving a portion of its workload to the MAC because of DME jurisdiction realignment, that DMERC should also attend. Attendance may be in person or via teleconference. All of the MAC’s key transition team should be in attendance.

3.6.4 Topics of Discussion

The kickoff meeting will give a high level overview of the transition project. The DME MAC will be requested to make a corporate introduction and describe its Medicare organization and operation. The MAC should also discuss its transition team/ organization, its transition approach, and provide an overview of its Implementation Project Plan (see **Chapter 4.3.**) Much of the information presented would normally be drawn from the DME MAC's proposal or any oral presentations supporting the proposal. CMS will also discuss its transition team organization and expectations at the meeting.

Transition workgroups will be a key topic of discussion at the meeting (see **Chapter 3.7.**) The DME MAC will be expected to work with the outgoing DMERC and other attendees to establish transition workgroups, agree on their basic responsibilities, and determine each organization's representation.

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 DMERC needs to provide to the DME MAC (see **Chapter 4.13.**) After the kickoff meeting is completed, the MAC should review the project schedule, Implementation Project Plan (IPP), risk management plan, and communication plan and make appropriate revisions based on the discussions that took place and input from CMS.

3.7 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 successful workload transitions.

3.7.1 General

Transition workgroups are established to facilitate the process of transferring the outgoing contractor's Medicare workload to the DME MAC. The scope of a particular workgroup may vary from one transition to another for a variety of reasons, including the MAC's business structure, the implementation project plan, and outgoing contractor considerations. However, there must be agreement between the DMERC and the DME MAC regarding what workgroups will be established and what their specific responsibilities will be. Workgroups are generally established for infrastructure activities (facilities, hardware, human resources, telecommunications, etc.), functional program areas (MSP, provider education, etc), and overall project administration tasks (project management, financial, etc.).

3.7.2 Participants

Experienced staff from the DME MAC, the outgoing DMERC, and other involved organizations should be assigned to the various workgroups that will be formed to

oversee specific transition tasks or functional areas. Of course, members will only be assigned if the organization has some involvement with the workgroup's function. CMS will be represented on every workgroup. The MAC should try to keep the composition of its workgroups constant for the duration of the implementation, especially the workgroup heads.

The DME 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.

3.7.3 Scope

The scope or area of responsibility for the individual workgroups will vary depending on a number of factors such as the DME 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
- Provider Relations
- Audit and Reimbursement
- EMC/EDI
- MSP
- Operations/Claims Processing
- Hardware/Software
- Facilities
- Human Resources
- Financial
- Print/Reports
- Cutover

An established workgroup may not necessarily correspond directly to a major task in the DME MAC's 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 Implementation Project Plan.

3.7.4 Activities

Each workgroups 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 project plans that are applicable to their workgroup. Throughout the transition period, the workgroup will report their progress to the DME 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 as to 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.

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 IPP, 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 DME MAC implementation project manager

3.7.5 Communication

Workgroups should meet on a weekly basis, either in person or via teleconference. It will be the responsibility of the DME 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 should be developed for the transition. The schedule should provide a listing of all the workgroups that have been established, the workgroup lead, members, the day and time that the workgroup will meet (normally scheduled for one hour), and the call-in number with corresponding pass code. Membership of the workgroup should be finalized within a week after the 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 DME 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 will emphasize 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 DME workload may be moved successfully into the DME MAC operational environment.

4.2 Project Management Approach

The DME MAC's project management approach should be reflected in the Implementation Project Plan 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 2002, 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 DME MAC project manager oversee the quality effort and ensure that tasks are complete and accomplished in accordance with project requirements.

4.3 Implementation Project Plan (IPP)

The DME MAC will be responsible for developing and maintaining an Implementation Project Plan (IPP.) An accurate and complete project plan is critical to the success of a transition. The IPP must detail the steps and timeframes for accomplishing all of the work defined in the Statement of Work, as it pertains to the transition from the outgoing DMERC to the DME MAC. The IPP will provide an overall administrative plan and a description of all the major tasks and subtasks required to transfer DME data, records, and operations from the outgoing DMERC. It may also show tasks for assuming a portion of workload from another DMERC (e.g., DME workload for a state that will become part of the MAC's jurisdiction.) or for other associated implementation activities such as data center migration.

The IPP 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 assessment (see **Chapter 4.10** below.) Activities that the DME MAC or CMS may have identified subsequent to the submission of the IPP 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 DME MAC must discuss any IPP revisions with CMS and create a "baseline" document. The baseline IPP 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 implementation. CMS approval is required for the baseline IPP.

CMS understands that the IPP is a dynamic document that may change throughout the life of the project; however, it is imperative that changes to the plan are communicated to CMS.

4.4 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 Implementation Project Plan should show a Work Breakdown Structure (WBS) with the major implementation tasks as Level 1, subtasks as Level 2, and then developed to Level 3 or 4, 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.

The IPP 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 IPP 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.**)

4.5 Interaction with the Outgoing Contractor

It is important to stress communication and cooperation with the outgoing DMERC. 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 DME MAC commits to its implementation efforts. It must be remembered that the transition will be a very stressful situation for the DMERC's organization and employees. More than likely, the DMERC will be leaving the Medicare program not by its own choice. It may have competed for the DME MAC jurisdiction and lost. It may be competing on A/B MAC Request for Proposals (RFPs) and the incoming DME MAC may be a competitor. Staff may 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 DME MAC and the outgoing DMERC. The MAC must be cognizant of those factors in its approach to managing the implementation.

4.6 Nomenclature

As the implementation gets underway, the DME MAC and the outgoing DMERC should discuss the terminology and nomenclature used in the DMERC'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.

4.7 On Site Presence

The DME MAC will need to determine how much of an on-site presence it will need at the outgoing contractor's site. Some incoming contractors have found it advantageous to have an on-site presence of some type almost on a weekly basis and will lease lodging for staff use on an extended basis. The DME MAC's subject matter experts/workgroup heads will normally be on-site at various times throughout the implementation to gather information on current processes, monitor activities, and provide assistance to the Implementation Project Manager. The amount of on-site presence will be dependent on a number of factors, but the key factor is whether or not the MAC will hire the outgoing contractor's staff and/or maintain a presence in the area.

4.8 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 DME 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.

Some incoming contractors have found it helpful to have regular informal teleconferences with just the project heads of all the organizations involved (e.g., DME MAC, DMERC, data center, CMS, PSC, NSC, etc.) to keep the lines of communication open, discuss overall progress, and ease the resolution of any issues or conflicts.

4.9 Identification Number

The DME MAC will be assigned a specialty jurisdiction identification number that will be used for CMS reporting and data exchange information. 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 DME MAC with the identification number. The number will be formally distributed to all necessary parties through the CMS change management process; however, the MAC should inform its data center and CWF host site of the new number as soon as it is provided by CMS.

4.10 Operational Assessment of Outgoing Contractor / Due Diligence

It is important that the DME MAC gather as much information as possible regarding an outgoing DMERC'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. All functional areas (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 DME MAC's implementation approach or project plan will also be able to be made. The DME MAC should contact the outgoing DMERC to schedule a site visit. Agreement should be reached on items such as dates, times, frequency of visits, number of staff, and availability of on-site working space for the visiting MAC. There should be a discussion of the types of information that the DME MAC hopes to obtain and which operational areas it would like to review. 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 DMERC's operation should include internal policies and procedures, business processes, work flow in each functional area, files, and staff analysis. This will help in refining the DME 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 should 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 should

also be analyzed. The DME 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 DME MAC should obtain Contractor Performance Evaluation (CPE) or Report of Contractor Performance (RCP) documents for the DMERC, as well as any audit findings. Any internal process improvement or CMS performance improvement plan (PIP) pertaining to the outgoing contractor should 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 Project Officer.

The MAC should also determine if there are any special CMS projects, initiatives, or activities that involve the outgoing DMERC and the specific time frames for completion.

4.10.3 Access to Information

It should be noted that the DME MAC may not get as much information or access to the outgoing contractor's operation as it would like. The DMERC may believe certain information is proprietary, and, therefore, will not release it. This may be especially true if the contractor intends to bid on future MAC RFPs. 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 an operational assessment visit or due diligence, it should contact the CMS Project Officer.

4.11 Specific Assessment Activities

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

4.11.1 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. CMS requires every Medicare contractor to maintain certain edits in its claims processing system. However, the contractor has 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 from contractor to contractor. It is possible that the same claim may be denied by one contractor, suspended by another, or returned to the submitter by a third contractor.

If the DME MAC proposes to change an outgoing DMERC's edits, it must analyze the change to determine if there will be any impact to the provider community. The DME MAC should attempt to keep the outgoing contractor's existing local edits to the extent practicable. If the MAC believes that local edits should be changed, it should discuss its proposal with CMS. It is very important for the DME MAC to clearly communicate any edit/processing

changes to providers and submitters early and often in bulletins, special newsletters, and/or training seminars/ workshops.

4.11.2 Outgoing Contractor Workload and Inventory

As soon as the DME 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,
- appeals,
- telephone service, and
- compliance reviews.

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

4.11.3 Staffing Levels

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

4.11.4 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 DME MAC should review the indicators of the DMERC's internal controls, particularly if the MAC intends to take over the outgoing DMERC's management and staff in a turnkey operation. At a minimum, the DME MAC should review recent Chief Financial Officer (CFO) audit reports, Statement on Auditing Standards No. 70 (SAS 70) audit reports, as well as the outgoing contractor's own reports on internal controls—such as the Certification Package for Internal Controls (CPIC).

4.11.5 Contractor Performance Evaluation

It is possible that there will be a Performance Improvement Plan (PIP) in place for deficiencies found at the DMERC'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 DMERC or its staff after cutover.

4.11.5.1 Contractual Relationship or Turnkey Operation

If the DME MAC will have a contractual relationship with the DMERC (e.g., subcontractor, partnering arrangement, etc.), or if it will retain the DMERC's staff/facilities in a turnkey operation, CMS will provide the MAC with information regarding the PIP. After reviewing the current status of the PIP with the DME 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 DME MAC will be responsible for completing any outstanding parts of the plan once it becomes operational, or develop an alternative PIP with the approval CMS.

There may also be a situation where a deficiency was found in an outgoing DMERC's operation but no PIP was submitted. In such cases, CMS will review the nature of the deficiency with the DMERC and the DME 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.

4.11.5.2 No Contractual Relationship With Outgoing Contractor or Staff

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

4.11.6 Outgoing Contractor Performance Waiver

Under its Title XVIII Medicare contract, an outgoing DMERC 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 DMERC finds itself in such a situation, it may submit a request for a waiver to CMS. CMS will inform the DME MAC of the nature of any waiver request that it receives from the outgoing DMERC, 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.

4.12 Implementing Assessment/Due Diligence Findings

Based on its analysis of the DMERC's operations and documentation, the DME MAC will determine if any changes should be made to its implementation approach, operational design, or Implementation Project Plan. Any significant changes to the IPP must be discussed with CMS. 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 DME MAC may find the need to revise its risk mitigation and communication plans based on information from the DMERC. 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 DME 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 established cutover date. Any significant changes to the DME MAC's project plan must be discussed with CMS.

The DME 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 implementation so that any changes can be negotiated with CMS and incorporated into the "baseline" IPP, which should be submitted to CMS within 30 days of the kickoff meeting.

4.13 Deliverables

The DME MAC may begin developing an initial deliverables list in the pre-award period and distribute it at the kickoff meeting. The deliverables 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.

As the DME 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 DMERC and other involved parties. The DME MAC must ensure that everyone understands exactly what is being requested, that the information is applicable to the purpose of the request, that the outgoing contractor has the resources available, and that the timeframe for delivery is reasonable. Requests for specific information or documents 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. See **Exhibit 4**, **Sample of Deliverables Requested from Outgoing Contractors,** for a sample of the types of information and documents that a MAC may want to obtain from an outgoing contractor.

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 DME MAC operation may vary for a variety of reasons, including the proposed location, a turnkey operation, and the outgoing DMERC's plans for its employees.

5.1.1 Recruitment of Outgoing Contractor Staff

If the DME MAC is proposing to hire staff from the outgoing DMERC, it should communicate that fact to DMERC management immediately after contract award. Rumors can run rampant during a transition, especially after announcement of the new contractor. They can also affect efforts to retain personnel--the longer uncertainty exists, the more attractive alternate employment becomes. It would be extremely beneficial for the DME 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.

The MAC must work with the DMERC to establish communication protocols with employees 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 DME MAC job postings can be placed in the DMERC's site should be obtained. The DMERC 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 DME MAC will be hiring a large number of the DMERC'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 the DMERC's employee benefits versus the DME MAC's benefits should be made as soon as possible after award. Meetings should be scheduled with the DMERC's staff to discuss differences in benefits, provide information on what employees may expect when the DME 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 DMERC's employee newsletter.

The DMERC employees who will be hired by the DME 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 DMERC to come up with a compatible plan or calendar for when employees will actually transfer to the DME 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 DME MAC will not try to hire any of the outgoing DMERC'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 DME MAC is only hiring a portion of the DMERC's staff, or none at all, CMS may request additional information regarding how 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 DME MAC will send to CMS a biweekly report covering hiring activity. 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. 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 DME 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 training 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 DME MAC uses must be based on the requirements in the RFP and all applicable laws, regulations, and Medicare manuals. During the implementation, CMS may review the MAC's training materials and curriculum, observe classes, and review testing results. The DME 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 DME MAC operations. These activities include obtaining a facility, 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 DME 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 DMERC's facility. The MAC proposal will provide information on the location of its operational facility. If the DME 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 DMERC's facility, it needs to be sure that there are no problems with the DMERC 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 DME MAC.

Regardless of the facility approach, CMS may request to review any applicable permits, blueprints/floor plans, leases, etc. CMS may also perform on-site inspections to monitor renovation, expansion, or construction progress. CMS should be consulted if there is any change in regard to the facilities approach or plans during the implementation. The DME 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 be taken into account when considering facility options. The MAC review of the outgoing DMERC's operation will provide information on the DMERC's storage arrangements so that the DME MAC can determine whether to keep existing arrangements or move the files to another location. Until further directed, CMS requires that Medicare records and files must be maintained and cannot be destroyed.

5.3 Hardware/Software

The DME MAC must provide the hardware and utility software necessary to communicate and operate with CMS-provided software and the CMS designated data center. The processes for obtaining and installing MAC-furnished hardware and software at the DME MAC operational site will be described in the Implementation Project Plan. The tasks should cover all hardware and software that the MAC will need to become operational, including CPU upgrades, DASD, 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 DME MAC will have to coordinate its equipment needs with its print/mail vendor if printing is subcontracted. It may also 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 assessing, ordering, installing, and testing equipment and software. CMS may request that the MAC submit verification of equipment orders and provide CMS with the dates of installation. It may also request statements from installers that certify that the 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 DME MAC.

5.4 Asset Inventory

The DMERC 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 DMERC 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 DMERC and may be kept, sold, or disposed of in accordance with the Federal Acquisition Regulations (FAR). CMS's preference is that these assets be made available for sale or transfer to the DME MAC.

As part of its closeout activities, the DMERC is required by CMS to develop an asset inventory list showing its anticipated disposition. As part of this process, the DMERC will provide the incoming DME MAC with a detailed inventory of all supplies, furniture, hardware, software, equipment, and other work-related items that may be available to the MAC. This should be done as early in the transition as possible so that the DME MAC will have time to analyze, negotiate, and transfer any asset that it will obtain from the DMERC. The inventory list should be entered on the deliverables list with a mutually acceptable due date.

5.5 Telecommunications – Data

The DME MAC shall obtain network data communications services with CMS through the Medicare Data Communications Network (MDCN). CMS provides these network services through a contract with AT&T Government Solutions. AT&T Government Solutions was formally known as AT&T Global Network Services (AGNS). The MAC must request network services through CMS's Office of Information Services (OIS) by sending an email to mdcn@cms.hhs.gov. There is also a website at www.cms.gov/mdcn which contains information about MDCN.

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 DME MAC's Medicare contract;

- Communications between the DME MAC and its data center, other MACs, carriers/intermediaries, CWF Hosts, and standard system maintainers;
- Medicare communications between a DME MAC and any subcontractors (e.g., printing); and,
- Communications between the MAC and CMS and any other CMS contractors; e.g., NSC, DAC, PSCs, etc.

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

5.5.2 Requirements

The DME MAC must designate a program point-of-contact (POC) and a technical POC to initiate, focus, and facilitate 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.

The DME MAC must request data communication services through CMS, OIS or the MDCN Project Officer. OIS is responsible for the MDCN contract and serves as the collection and liaison point for all new/revised data communications needs. At the time of the request, CMS will supply the incoming MAC with names of authorized POCs within AT&T Government Solutions. OIS, AT&T Government Solutions, the MAC, and the CMS Transition Manager 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.

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 DME MAC should request data communications services a minimum of ninety (90) calendar days before the expected operational delivery date for those services. The DME MAC must also complete the 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

- Requirements gathering will include an interactive review process among the DME MAC, OIS, and AT&T Government Solutions representatives.
- The DME MAC shall document all network connectivity requirements and specifications before the 60 day timeframe begins.
- The DME 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.

- 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.
- The DME MAC must grant AT&T Government Solutions access to equipment on its premises for installation, troubleshooting, and maintenance activities.
- The DME 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 CMS, OIS through established protocols.

5.6 Telecommunications – Voice

Voice communications are the responsibility of the DME MAC. The MDCN does not provide support for voice communications. The MAC must ensure that the telephone system that is in place at its operational site 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 DME MAC is acquiring the outgoing contractor's facility, it must reach agreement with the DMERC regarding what telecommunications equipment the outgoing contractor is going to keep or is willing to sell to the MAC. 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 DME 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 DME MAC will utilize the services of a CMS-designated data center. The data center 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 implementation workgroups. It is critical that there be a data center point-of-contact for the DME MAC during the implementation. The DME MAC should be familiar with the provisions of the contract between CMS and the designated data center and understand the roles and responsibilities of each organization. The MAC will need 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 DME MAC's operational site, the designated data center, the Medicare Electronic Data Interchange System (MEDIS), and the MAC data center that supports Medicare operations; e.g., back-end functions, printing. The DME MAC must assess and document data center access, processes (test and production regions, operator control files, CSI-problem reporting, etc.) and security protocols. System security and access for authorized testers and production staff will need to be established. The DME MAC must also establish access and system security with the CMS mainframe for CROWD and other software applications. All areas must be tested to ensure that access is appropriate and that reports can be submitted timely.

The DME MAC must also verify that workload regions at the data center 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, financial reporting, print interfaces, 1099 processing, etc.) The IT risk assessment plan should also be monitored 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 DME MAC must ensure that all providers and submitters understand any changes that will take place because of the implementation. They must have the opportunity to receive any necessary training and be able to test with the MAC prior to cutover. The DME MAC must also provide technical support for any problems associated with claims submission and EDI.

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 different 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 DME MAC shares Medicare information (e.g., trading partners).

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. Although DME MACs will receive non-electronic claims (i.e. hard copies, faxes, and optical character recognition (OCR) claims) from certain providers, the ability of providers to submit electronic claims via EDI 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 DME 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 DME 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 EDI submitters to verify that they can accommodate the DME 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 DME 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 DME 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 DME MAC at cutover.

5.8.3 Connectivity

The Medicare Data Communications Network (MDCN) may not be used to provide connectivity between providers/submitters and the DME MAC; providers are responsible for line costs for their use of EDI to the Medicare Electronic Data Interchange System (MEDIS). MEDIS is the standard front end application for DME processing. It will coordinate the establishment of network connectivity (using standard internet and telecommunication protocols) to provide an interface between the MEDIS and the DME MAC, clearinghouses, and providers for the exchange of inbound and outbound EDI. The DME MAC must work with CMS, the MDCN provider, and the local phone company in establishing connectivity to the MDCN. The MDCN provider will install equipment (e.g., a router) at the DME MAC to ensure connectivity to the DME MAC, suppliers, and clearinghouses/vendors. By using reports generated by MEDIS, 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 payment system.

5.8.4 EDI Assessment

As part of its review of the DMERC's operations, the DME MAC should obtain a complete listing of all vendors, suppliers, providers, and trading partners who are currently submitting electronic transactions. Electronic Remittance Notice (ERN) and Electronic Funds Transfer (EFT) information should also be obtained, as should EMC submission rates.

The MAC must determine if there are any special DMERC claim edits that should be incorporated into its claims processing environment. The DME 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 DMERC in a paperless manner and will need to determine whether or not it will be able to accept those items.

The DME 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 DME MAC.

5.8.5 EDI Communication

It is required that the DME MAC provide information, assistance, testing, and training to providers/submitters throughout the implementation period regarding EDI. Vendors, suppliers, and providers must understand the 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 DME 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 DME MAC or submitters. It is also important that the MAC be sensitive to provider concerns regarding any change.

The DME 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 information bulletins that need to be furnished during the implementation and will help in planning telephone service support after cutover

The DME 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 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.

5.8.6 Electronic Funds Transfer

Electronic funds transfer (EFT) is the methodology by which Medicare payments are transferred electronically from the DME 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 DME MAC's financial institution is the same as that of the outgoing DMERC.

The DME 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 DME MAC's provider communications, special bulletins, and implementation workshops. 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. 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 DME MAC should attempt to convince providers to accept direct deposit via EFT and inform them of the consequences if they do not.

If a provider refuses to accept electronic deposit, the only acceptable alternative to EFT is a paper check mailed by first class mail. 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 authorized by CMS.

Chapter 6: TRANSFER OF DME OPERATIONS

6.1 Overview

As the DME 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 DMERC. The tasks required for the transfer of workload will vary between DMERCS and will also vary if the DME MAC will have a turnkey operation or maintain a presence in the outgoing DMERC's area.

Due diligence and workgroup activities will provide the structure to assess the various functions performed by the DMERC. The DME MAC will need to get as much information as possible about the outgoing DMERC'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 DMERC's performance during the transition period, the DME 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 its own process improvements and/or operational changes based on its DMERC assessment, as well as reevaluate its staffing requirements. The DME 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 DME MAC and the DMERC must work closely to coordinate activities and to monitor inventory and staffing changes throughout the transition. 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.

The DME MAC 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 there will be a turnkey operation, the MAC will need to review all contracts for services. The MAC will need to determine if those service contracts can be assumed or if they will have to be renegotiated.

6.2 Claims Processing

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

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 DMERC. Beneficiary claims-specific written and telephone inquires will be transferred to 1-800-MEDICARE prior to the cutover to the DME MAC. When there is a complex beneficiary inquiry that cannot be answered, it will be forwarded to the outgoing DMERC. Any complex inquiries in progress will be transferred to the DME MAC at cutover. The DME MAC will have to evaluate policies and procedures for the complex beneficiary inquiry workload. 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 DME 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 DME MAC should also analyze data on call backs, email inquires, the logging and tracking of calls and written inquiries, and quality call monitoring. 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 DME MAC must meet with the 1-800-MEDICARE contractor 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 migration of beneficiary inquiry workload to 1-800-MEDICARE.

6.2.2 Medicare Secondary Payer (MSP)

The DME MAC will need to gather MSP documentation from the outgoing DMERC and analyze current operations, desk procedures, and management reports. The DME 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 must review MSP prepayment claims processing, 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 DMERC'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 the current AR, both Group Health Plan (GHP) and non-GHP, to the DME 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.

6.3 Appeals

The Medicare claim appeals process was amended by the Medicare, Medicaid and SCHIP Benefits Improvement and Protection Act of 2000 (BIPA). Section 1869(c) of the Social Security Act, as amemded by BIPA, requires a new second level in the administrative appeals process called a reconsideration. Reconsiderations will be processed by qualified independent contractors (QICs). For Part B redeterminations issued and mailed by DMERCs on or after January 1, 2006, the parties to the redetermination will have the right to appeal to a QIC. All DMERC redeterminations issued and mailed before January 1, 2006 will have appeal rights to the DMERC Hearing Officer.

The DME MAC will need to assess the DMERC's appeal procedures and obtain the status of all redeterminations and reconsiderations that are being processed by the DMERC, and the status of all reconsiderations being processed by the QIC. The MAC will work with the DMERC to develop an estimate of the appeals that will be completed prior to cutover and those that will be forwarded. The DME MAC will also need to determine if there are any outstanding effectuations that are in progress.

The DME MAC shall enter into a Joint Operating Agreement (JOA) with the QIC to formalize the functions that each will perform. While the development of the JOA is the responsibility of the QIC, the DME MAC will need to be involved in the process. See **Chapter 7.7.**

6.4 Provider Education/Training

As described in **Chapter 12**, the DME 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. The DME 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 what will happen during the cutover period (see **Chapter 9.11.**) The MAC needs to work closely with the outgoing DMERC to be certain that transition information is transmitted clearly and frequently to providers using various means.

When the DMERC holds any scheduled provider/association/ specialty group meetings, the MAC should attend so that it can be introduced and make a presentation. The DME MAC and DMERC should continue joint meetings throughout the transition. The MAC should also begin developing its Supplier/Provider Communications Advisory Group. The DME MAC may also conduct a number of provider workshops/seminars held at convenient locations throughout the jurisdiction so that providers can be informed of the changes that will occur.

The DME 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 DMERC's provider bulletins and newsletters from the past two years may be of benefit as the MAC develops its education and training plans. The DME MAC should also provide transition information to the DMERC for inclusion on its website.

6.5 Print/Mail Operations

The DME MAC will need to analyze the outgoing DMERC's mailroom workflow and operations to determine how mail functions will be transferred. These activities will be largely dependent on whether or not the MAC will assume existing space or have some presence in the outgoing DMERC's geographical area. The MAC 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. The DME MAC will need to analyze what functions are performed at the mailroom (control, imaging, activation, etc.) and determine if it is separate entity or part of the corporate mailroom.

A decision will have to be made regarding the number of locations mail will be received. The DME 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 DME 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 DME MAC must work with the DMERC to determine how existing mail will be transferred at cutover. The organizations must also agree on arrangements for transferring mail that is received by the DMERC 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. The DME MAC will also need to reach agreement 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 DME MAC must evaluate print requirements for its jurisdiction. 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 DMERC'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 DME 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 DME 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.

6.6 File Inventory

The DME MAC must work with the DMERC to identify all files that need to be transferred to its operation. It must also be aware of any files that will be split and moved to another DME MAC or received from another DMERC at cutover.

6.6.1 General

The DMERC will develop an inventory of Medicare files in its possession (electronic data files, hardcopy, microfilm, microfiche, tape files, etc.). The inventory should include the file content description, data set information, tape and file processing methods, and record information. The inventory will be provided to CMS with a copy to the DME MAC. 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 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 DME MAC would request from an outgoing DMERC.

6.6.2 Disposition

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 DMERC must be transferred to the DME MAC. The only exception to this requirement is that the outgoing DMERC may keep its administrative financial files to prepare its final cost report. Any files that are not transferred to the custody of the DME MAC must be destroyed by the outgoing DMERC and certified as such.

6.6.3 Mainframe

The movement of mainframe files may be internal or external, depending on where the files are located. 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 DME MAC should test that files can be transferred. After the actual transfer, the files should be reconciled with the directory.

6.6.4 LAN/PC-Based Files

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

6.6.5 Hardcopy

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

The DME MAC must determine which hardcopy files will be moved and to what location. The DMERC must provide information on any off-site storage sites: what files are stored, content, volume, and security. The DME MAC should schedule a meeting with the DMERC 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.

Chapter 7: INTERACTION WITH OTHER TRANSITION ORGANIZATIONS

7.1 General

The DME 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 DME MAC during its implementation.

7.2 Data Center

The DME MAC must utilize the services of a data center designated by CMS. The data center shall provide all the necessary hardware, application software, resources and supplies necessary to properly process the MAC's Medicare claims.

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

The DME MAC must adhere to all operational processes and procedures the data center establishes with its users. If using a CMS-designated data center, it may be helpful to obtain a copy of the contract between CMS and the data center to review and understand what hardware, software, and services for which the data center is contractually responsible. This may also help in defining implementation tasks for the IPP. Also, since the DME MAC will be required to enter into a Service Level Agreement (SLA) with the designated data center, the MAC should obtain a copy of an existing data center SLA to understand what services are covered and the performance requirements. The DME MAC may also use the sample as a basis for negotiating its SLA with the data center.

The data center will work with the outgoing DMERC's data center, if it is different. It must also work with the DME MAC's data center that supports any activities such as print/mail. The MAC may have multiple data centers to deal with if it will be receiving workload from other DMERCs. The DME MAC must assess and document data center 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 data center will be heavily involved in the DME MAC's testing. The MAC must discuss its testing requirements with the data center and coordinate its testing schedule. The DME 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.

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. The PSCs serving the DME MACs will perform Medical Review (MR) and Benefit Integrity (BI) functions.

7.3.2 Workgroups

The outgoing DMERC's BI and MR workload will be moved to the PSC before cutover to the DME MAC. However, the MAC will need to be aware of the transition of this workload during its implementation for informational purposes and to facilitate its future relationship and operations with the PSC.

7.3.3 Joint Operating Agreement

The DME MAC shall enter into a Joint Operating Agreement (JOA) with the PSC to formalize the functions that each will perform. While the development of a JOA is the responsibility of the PSC, the DME 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 DME 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 MAC may want to review the current JOA between the outgoing contactor and the PSC to give it a basis for discussions with the PSC. Also, the DME MAC should recognize that the JOA is a document that may change during its existence as CMS monitors the activities of the PSC and MAC.

It should be noted that the DME MAC is responsible for referring all suspected fraud and abuse to the PSC regardless of the source, including provider inquiries and complex inquiries referred from the 1-800-MEDICARE contractor.

7.3.4 Communication/Coordination

The DME MAC must coordinate its provider communication activities with the PSC during the transition with the DMERCs. This coordination may include joint introductory newsletters and meetings with providers, subsequent provider newsletters, and information presented on the MAC's website.

7.4 National Supplier Clearinghouse (NSC)

The National Supplier Clearinghouse (NSC) is the entity responsible for enrolling Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) suppliers in the Medicare program. The NSC issues Medicare supplier numbers, maintains supplier identification and ownership data, as well as business data, and denies or revokes supplier billing numbers. The NSC maintains a national master file of all suppliers and shares that information with the DME MACs to facilitate their responsibilities in provider relations and claims processing.

The national master file allows the NSC to identify, qualify, and associate suppliers that serve multiple areas. The NSC accomplishes that association by assigning a unique "base" number to a supplier having a single tax reporting or employer identification number (EIN) with multiple locations. The base number will have modifiers identifying each of the branch offices or unique locations associated with that supplier from which items are provided to Medicare beneficiaries. The resultant Medicare NSC supplier billing number is supplied to the DME MAC and is used by the MAC to establish supplier eligibility for claims payment.

The NSC serves all four DME MACs and is not directly involved in the day-to-day claims processing and other business activities of the MAC. However, the DME MAC must maintain systems interfaces with the NSC to facilitate data exchange and "alert indicators". The NSC will receive and maintain "alert indicators" from the DME MAC regarding suppliers who may be suspected of fraudulent claims, violating Medicare participation agreements or disclosure requirements, suspended for various reasons, or overpayment recovery status. The NSC will append the supplier file and transfer alert indicators to the MACs for suppliers with standards violations, criminal and administrative sanctions, and being investigated under the "Do Not Forward" initiative.

The DME MAC must meet with the NSC to discuss and agree upon the protocols for forwarding information. Telephone and data communications network connections must be established and tested. The NSC should be aware of the MAC's implementation plan and schedule. The MAC and DMERC must determine the date that the NSC should stop sending master file updates and requests for information to the outgoing contractor, so that the backlog can be reduced.

7.5 Data Analysis and Coding (DAC) Functions

The Data Analysis and Coding functions performed by the DME MAC will replace the Statistical Analysis DMERC. Those specific functions include:

- Coordinate Health Care Common Procedure Coding System (HCPCS) Level II codes and update the file with all DME changes and distribute to all DME MACs and PSCs;
- Analyze, distribute, and store national DMEPOS claims history data;
- Establish and distribute to DME MACs the national pricing files for certain drugs; and
- Conduct data analysis on regional and national totals and provide input to the DME MACs and PSCs.

The DME MAC must meet with the Statistical Analysis DMERC to determine what protocols will need to be established for the forwarding information. The MAC must ensure that all telephone and data communications network connections are established and tested. The SADMERC and DME MAC will need to coordinate with each other regarding the cutover and the transfer of functions.

7.6 Beneficiary Customer Service

The Medicare Modernization Act mandated that a toll-free number, 1-800-MEDICARE, be the single point of contract for Medicare beneficiary telephone inquires. Currently, when beneficiaries contact the 1-800-MEDICARE number they receive general Medicare program information. However, both written and telephone beneficiary-specific claims inquiries are handled by the DMERC who processed the beneficiary's claim.

These beneficiary customer service functions will be transferred from the DMERC to the 1-800-MEDICARE contractor before cutover to the DME MAC. After the transfer, when a beneficiary calls or sends correspondence to the 1-800-MEDICARE contractor and inquires about a specific DMEPOS claim, each customer service representative (CSR) will be equipped with the standard Next Generation Desktop (NGD), which will provide them with access to all the data systems necessary to answer Medicare inquiries, including the beneficiary's claims-specific questions.

The 1-800-MEDICARE CSRs will not have the expertise to answer complex beneficiary inquires. When this occurs, the CSR will electronically refer it to the DMERC via the NGD and this function will continue to be the responsibility of the DMERC. Written and electronic inquiries will be handled in the same manner. The DMERC's research and referral staff will be responsible for investigating, resolving, and providing a direct response back to the beneficiary. Any complex inquiry workload that remains with the DMERC will be transferred to the DME MAC at cutover.

The DME MAC must meet with the 1-800-MEDICARE contractor during the implementation to determine protocols for transferring written/electronic correspondence.

The DME MAC will also need to negotiate a Joint Operating Agreement (JOA) with the 1-800-MEDICARE contractor covering the interaction and responsibilities of both parties.

7.7 Qualified Independent Contractor (QIC)

Under the Medicare, Medicaid, and State Children's Health Insurance Program Benefits Improvement and Protection Act (BIPA) and the MMA appeals provisions, the DME MAC is responsible for processing **redeterminations**, which are first level appeals. Requests received on or after January 1, 2006, for the second level claim appeal, which is known as a **reconsideration** of a redetermination, will be performed by a Qualified Independent Contractor (QIC). If a request for reconsideration is made, the DME 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 DME 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 DME MAC must meet with the QIC to discuss the protocols for forwarding reconsideration requests and other information. Any data network connections must be established and tested. The QIC should be aware of the DME 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 DME MAC and DMERC will determine the date that the QIC should stop sending requests for information or effectuations to the outgoing DMERC, so that the backlog can be reduced. The DME MAC will also need to negotiate a Joint Operating Agreement (JOA) with the QIC that will detail the activities and responsibilities of each party.

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. Medicare contractors 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 DME 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. The DME MAC must successfully complete testing activities before CMS will approve the cutover.

8.2 Test Plan

The DME MAC must develop and maintain a comprehensive test plan for its DME 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 standard system and non-standard systems 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 test tasks will be incorporated into the Implementation Project Plan (IPP.) The test plan will be the basis for CMS's approval to begin the cutover, once all system and operational functions have been tested and any issues resolved.

A testing approach should be reflected in the DME MAC's proposal and development of a test plan should begin soon after contract award. CMS expects to review and approve the MAC's finalized test plan. All entities interacting with the DME 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 data center and other entities to coordinate test schedules and to define roles and responsibilities during testing. Testing tasks will be updated as part of the overall IPP bi-weekly update.

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.

8.2.1 Scope/Approach

The scope of the test plan should define what is to be tested and the approach that the DME 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
- Software (This would include the Standard System application, non-base system components such as interfaces and any standalone or proprietary non-base applications used by the DME 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 DME 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 implementation. The DME 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 DME MAC should ensure that everyone involved in the testing process understands the purpose and procedures for the test.

8.2.3.1 Connectivity/Standard System Validation

This area of testing will ensure that there is connectivity between the DME MAC operational site and the MAC's data center. The DME MAC's access to CMS and other entities (e.g., PSC, 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 standard systems are properly installed and that data files are available to test.

The DME MAC must be 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 standard 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 DME MAC must verify data field values and test 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 test will test the full capabilities of the base standard system 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 DME MAC's region. MSNs and Remittance Advices are printed as necessary for those test cases requiring verification of printed output. It 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 standard systems must be tested. This is necessary to verify that all of the interrelated systems operate as intended within an operational environment. The DME 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 standard 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,
- Local and remote printing and mailing,
- Provider telecommunications and bulletin board,
- ARU/IVR,
- NGD,
- Electronic remittance process,
- Report management systems, and
- 1099 process.

8.2.3.5 End-to-end Testing

In addition to the system and interface testing that verifies production readiness, the DME MAC must perform end-to-end testing. This test utilizes any supporting corporate services and external interfaces to make certain that all components of the MAC's Medicare system environment operate properly and that Medicare claims can be processed from receipt to payment. This test may also be known as an Acceptance Test or Operational Readiness Test.

The DME MAC will develop specific test cases to ensure that full system functionality will be tested from beginning to end. The MAC is responsible for creating test scripts or test case scenarios, performing the test, documenting the results, resolving issues, retesting if necessary, and signing off upon completion.

The end-to-end test will mirror the DME MAC's production processes. It will transmit claims keyed locally and remotely (e.g., keyshop) and EMC/OCR claim files from the EDI front end to the DME MAC's data center. The claims will be brought into the VMSDME system in the same manner as will occur in the live production environment after cutover. The files will be processed through the VMSDME base system, transmitted to CWF, and finalized. Files will be sent to trading partners and test checks, remittance notices, and MSNs will be produced. These will be sent to providers participating in the test and the DME MAC's financial institution. All system test output must be verified and all steps in the process must be fully documented. CMS will monitor test progress and review the resultant documentation. The end-to-end test will be one of the factors determining whether or not approval will be given for the MAC to proceed with the cutover. The DME MAC must ensure that planning for the end-to-end test begins early in the project and that all test entities have sufficient time to complete their testing and any necessary retesting prior to cutover.

8.2.3.6 Stress Test

The online stress test will verify that: 1) simultaneous user access has no significant impact on online response time; and 2) the CICS region and activity data files are properly sized to accommodate all users accessing the system at the same time. The test must be coordinated with the data center and should last at least an hour. All clerical personnel should sign on to the VMSDME system and enter a variety of transactions, as they would in normal operation. No data will be validated from this test. The DME MAC's data center will monitor online access and response time during the test.

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 DME MAC's claim volume and that the data center 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 DME MAC's standard system production environment. During the implementation, the MAC may receive VMSDME system releases that must be installed prior to, or concurrent with, a cutover. As such, the DME 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 providers and suppliers involves exchanging files and validating that data integrity is maintained throughout the exchange. Submitters should send the DME 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 DME 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 DME MAC cannot perform sufficient testing due to time constraints or other considerations, it may be possible to arrange with the outgoing DMERC to act as a clearinghouse. The outgoing contractor would continue to receive claims after cutover until such time that the DME MAC can successfully accommodate all current and new EDI submitters. Using this contingency, the MAC would test with the outgoing DMERC 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 standard 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 DME 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 IPP.

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 DME 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 DMERC ceases Medicare operations and the DME 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 DME MAC's operational date; i.e., when the MAC begins normal operations for the workload that it assumed at cutover. During the cutover period, the outgoing DMERC makes final preparations to shut down its operation and transfer its claims workload and administrative activities, and the DME 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 DME MAC's 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 IPP/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 DME MAC will be required to submit a cutover plan for the DMERC workload that will be moved. The cutover plan is an expansion of the cutover tasks that are shown in the DME MAC's IPP. The plan should be submitted to CMS for review no later than 30 days prior to the proposed start of the cutover period. There are a number of factors that will influence the cutover plan; therefore, planning should be done well in advance to ensure a smooth transition.

The cutover plan shall be a separate document from the IPP. 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 DMERC. There should also be input from the data center, the PSC, and any other DMERC that will be transferring a portion of its workload. The consolidated cutover plan should show the responsible organization, any IPP task number, the responsible workgroup, the task description, start and finish times, status, and comments. All entities must agree on the schedule and tasks in order to avoid confusion about time frames, the specific cutover responsibilities for each party, items to be transferred, and terminology. The DM EMAC 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.

9.3 Cutover Workgroup

A Cutover workgroup will normally be established to manage cutover activities. It should be composed of representatives from the DME MAC, outgoing DMERC, and any other party involved in the cutover. 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 3.7**. 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 DME 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 DME MAC Implementation Project Manager or other workgroups which will impact the manner or circumstances of the transfer of the 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 7-10 days before cutover, the DME MAC should begin daily cutover teleconferences with the outgoing DMERC 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 at the beginning of the day and normally will be brief in length. Participants will review the 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. Key personnel involved in the cutover should have backup means of communications 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 operation. At that point in time, CMS will make a decision as to the frequency of the meetings.

9.5 Provider Progress Report

It is expected that the DME MAC will be monitoring the percentage of completed EFT forms during the implementation. Normally, when the cutover period begins, CMS will require the DME 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. This information will help the DME 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 warranted. 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.

9.6 System Dark Days

One of the issues for discussion and resolution by the cutover workgroup will be the number of system “dark” days that will occur during cutover. A dark day is defined as a day during the regular work week during which the Medicare claims processing system is not available for normal business operations. System dark days may occur between the time that the outgoing DMERC ends its regular claims processing activities and the DME MAC begins its first day of normal business operations.

The outgoing DMERC must complete all billing cycles, update payments, cut checks, and prepare required workload and financial reports prior to cutover and the end of its Medicare contract. Also, the DME MAC must verify that all telecommunications, hardware, software, and equipment are installed, tested, and properly functioning after the cutover. In addition, the MAC will also need to run limited cycles for checkout of the

files and claims processing functions. The data center will also be changing any identification numbers for reports, database tables, etc.

The claims processing system cannot provide current information or process claims during the aforementioned cutover activities. Therefore, it is considered "dark." Because CMS wants to limit the number of dark workdays, cutover normally occurs around a weekend at the end of the month. Holiday weekends also provide an additional non-work day to accomplish all of the cutover tasks. However, some cutovers may require more than just the 2-3 days that a weekend gives them. Therefore, the contractor must be "dark" on a normal work day. The number of dark days will vary depending on the calendar and the size of the outgoing DMERC. Some implementations may be accomplished over a holiday weekend and not require the DMERC or DME MAC to be dark on a normal work day. Most DMERC cutovers will require 1-2 dark days. The MAC and the outgoing DMERC must agree on the cutover calendar and the number of dark days. The number of dark days is heavily driven by the length of time required for the outgoing DMERC's final cycles and closeout activities. The number of dark days must be approved by CMS as part of its approval of the cutover plan.

During dark days, providers and submitters may submit claims for payment, but those claims will be held and will be processed after cutover. Some EMC may be processed as part of system checkout, but most EMC will be entered on a staggered basis during the first week of normal operations. Staff will be able to perform limited functions. Claims may be entered, but they will be held until regular processing cycles have begun (unless they are entered as part of the system checkout.) Customer service representatives can field inquiries, but they will be limited to information from the final run of the outgoing DMERC until the first DME MAC cycle is run. ARU/ IVR information will also be limited until completion of the MAC's first cycle. As part of its communications plan, the DME MAC must explain the cutover sequence and inform providers/submitters of scheduled dark days and their effect on claims submission and inquiries. This explanation must be provided frequently during the transition period.

9.7 Data Migration

During the cutover period, the outgoing DMERC will prepare and transfer all Medicare files and records to prescribed locations detailed in the claims workload transfer plan. This plan will be developed with the DME MAC and any other party who will be receiving files from the outgoing DMERC.

9.7.1 Final Inventory

The outgoing DMERC will provide the DME 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 6.6**.) During the cutover period, the outgoing contractor will finalize the inventory and provide the document to CMS and the DME MAC. 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.

Once the records have been inventoried, they 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 DME MAC should also verify, to the extent possible, that all required updates to records have been made by the outgoing contractor prior to transfer.

9.7.2 File Transfer Plan

The DME MAC should determine what files will need to be transferred as early as possible in the transition process. This will enable the outgoing DMERC to estimate the resources it will need to provide the data and to identify those that are in proprietary format and will need to be converted to a standard or flat file format. The DME MAC and the DMERC shall develop a file and record transfer plan using the finalized inventory. Files may be 1) transferred to the MAC's facility 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 DME MAC due to jurisdictional realignment; or 5) in the case of duplicative files, destroyed.

The file transfer plan should describe the files and records to be transferred by type (suspense, EMC, 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 files. Workload may be transferred in phases rather than all at once, especially if there is serious staff attrition in certain areas of the outgoing DMERC's operation. This possibility should be accounted for in the DME MAC's risk management plan. CMS must be provided a copy of the final file transfer plan.

The DME MAC should work with the DMERC 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.

9.7.3 File Format

Files scheduled to be transferred to an incoming DME 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 DMERC must change any electronic files stored in a proprietary format to a standard or flat file format prior to transfer to the incoming contractor.

9.7.4 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 DMERC. Normally, records are not all packed and moved at one time. The DMERC 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 DMERC should use a labeling system so that boxes are routed correctly to the DME 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 DME 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 Sequence of System Cutover Activities

The sequence at cutover will involve the following system activities:

9.8.1 System Closeout

This includes the final batch cycle, the final CWF queries, the final payment cycle, and the final weekly, monthly, quarterly, and yearly runs of the outgoing DMERC. A 1099 file will also be generated. The DMERC will purge its files in accordance with applicable instructions regarding time requirements for the retention of Medicare records.

9.8.2 Back Up

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

9.8.3 Transfer and Installation

Files may be transferred if there is a change in data centers. This would include preparation of programs and JCL to load the files and databases. Regardless of any data center change, the final data would be loaded and system changes (user file changes, base system changes to VMSDME, release changes, non-base system changes) will be made. Changes could include: MSN and remittance advices, identification number, print/mail interfaces, ARU/IVR scripts, 1-800 service, NGD, etc.

9.8.4 Data Conversion

If there are any files to be converted, the DME MAC will validate the conversion output.

9.8.5 Initial System Checkout

The DME MAC will perform an initial system verification. 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.

9.8.6 Functional Validation of System

The DME MAC may have the opportunity to run two cycles over the cutover weekend to check out operational functionality. This will include on-line data entry, claims activation, file verification (files accessible, formats proper, information correct, etc.), inquiries, batch processing, and testing. The first validation cycle may run conversions for claims and correspondence that were pending after the outgoing DMERC'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 DMERC's cutover activities. The MAC will verify system output after each cycle and will then make a decision to begin normal business operations.

9.8.7 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. 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 will also be verified (EFT, EMC, CWF, etc.) All print/mail functions will be validated, including checks, remittance advices, MSNs, automated correspondence, and reports.

9.9 Transfer of Hardcopy Files and Physical Assets

The DME MAC will be responsible for the shipment of files and any physical assets (equipment, supplies, furniture, etc.) that it obtains from the outgoing DMERC. The cost of conveyance will be bourn by the MAC. It is suggested that the MAC have a representative at the outgoing DMERC's location from which items will be shipped. These representatives will sample files to verify content and proper labeling and will ensure that they are loaded for the proper destination. They will also check assets against the acquisition list to verify that all are accounted for and in the proper condition. Invoices should be reviewed prior to shipping.

9.10 Reporting

The DMERC contractor is responsible for the completion of all monthly and quarterly reports through the end of its Medicare contract. If the DMERC 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 DME MAC is responsible for completing all quarterly reports effective with the date it becomes the contractor. Therefore, if an outgoing DMERC does not leave at the end of the quarter, it must work out an agreement with the DME MAC for the sharing of data so that the MAC can produce a quarterly report.

9.11 Cutover Communication Plan

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 if 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 clains, redetermination requests, etc., to the outgoing DMERC;
- Last day the DMERC will make a claim payment;
- Last date the DMERC will have telephone service for providers;
- The first day the DME MAC will accept EMC claims;
- The first day the DME MAC will accept paper claims;
- The date when the DME MAC will begin the claim payment cycle;
- The date when the DME 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 DME 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 the performance of the DME MAC.

10.2 First Day of Operations

The DME 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 any 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 DME MAC location to check the status of cutover tasks and to monitor operations.

The DME 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 DME 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 ensure 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 DME MAC will be closely monitoring all aspects of the 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 DME 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 and the transfer of electronic funds (EFT) to the appropriate banks should be verified. Other printing such as Remittance Advices and Medicare Summary Notices may also be evaluated. The DME 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 DME 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 DME 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 CMS's Transition Manager, 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 DME MAC shall provide a daily workload report for at least two weeks after 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 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 DME MAC during the post-cutover period.

10.5 Lessons Learned

When implementation issues have been resolved and operations stabilized, the DME MAC shall develop a lessons learned document. Other organizations that participated in the transition will also be asked to prepare a similar document. The purpose is to create a single lessons learned document that is a compendium of implementation activities that were successful and those that need improvement. The document will be discussed during a post-project review meeting and used as a learning tool in future transitions.

The DME 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 IPP or the major areas reported on the bi-weekly project status report. CMS believes that it is beneficial for all organizations that are preparing lessons learned to share them with the other transition organizations prior to the lessons learned meeting. Sharing the information ahead of time will 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.

10.6 Post-Project Review Meeting

Approximately six weeks after cutover, a post-project review meeting will be held to discuss lessons learned from the transition. The meeting may be held in person at a mutually agreed upon site or by teleconference, depending on the circumstances of the transition. CMS will have the responsibility for organizing the meeting, obtaining any meeting space, 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. Those activities that went well should be discussed as well as those that need improvement. 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.

10.7 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 DME 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 DME 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.

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

Exhibit 7, DME MAC Workload Implementation Meetings and Documentation, provides a useful reference of the following 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 understand 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 DME 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 DME jurisdiction kickoff meeting. See **Chapter 3.2.**

11.1.2 DME Jurisdiction Kickoff Meeting

The DME jurisdiction kickoff meeting is a one-time meeting 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 team. 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. While the DME MAC has the responsibility to set up the meeting, CMS will host the meeting and work with the MAC to develop the agenda. The kickoff meeting is normally held 10-15 days after contract award. See **Chapter 3.6.**

11.1.3 Project Status Meeting

This biweekly meeting is intended for all parties involved in the transition to obtain an update on the progress of the project. The parties will review the major tasks of the DME

MAC's Implementation Project Plan (IPP) 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 on delays in task completion, deliverables, and action items. The DMERC's closeout plan will also be reviewed along with the relevant activities of the other parties involved in the transition. The Implementation Project Status Report (see Chapter 11.2.3 below) will be used as the basis for conducting the meeting. The 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 DME 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.

11.1.4 Transition Workgroup Meeting

The transition workgroup heads will be responsible for conducting weekly workgroup meetings. 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 3.7.**

11.1.5 Cutover Meeting

Beginning approximately two weeks before the 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.**

11.1.6 Post-Project Review Meeting (Lessons Learned)

The DME MAC will conduct a post-project review meeting after cutover. 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 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 11.2.13** below.) The meeting normally takes place six weeks after cutover. CMS will have the responsibility to organize the meeting and provide teleconference access. Also see **Chapter 10.6**.

11.2 Documentation

CMS will closely monitor the DME MAC and the outgoing DMERC during the transition to ensure that the transition occurs on schedule and that all Medicare data and operations have been properly transferred. To assist CMS's monitoring efforts, the DME MAC should submit the following documents. These reports are for the implementation period only. Operational deliverables and reporting requirements as specified in the

MAC contract will be in effect during the operational phase of the contract and shall commence on the operational start date.

11.2.1 Implementation Project Plan

The IPP is submitted with the DME MAC's proposal. The plan provides an overall description of the major tasks and subtasks required to transfer Medicare data and operations from the current DMERC. Changes that occur after the DME 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 IPP. A baseline IPP should be forwarded to CMS within 30 days of contract award. This document will be the basis for CMS's monitoring of the implementation. The IPP 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 IPP. See **Chapter 4.3.**

11.2.2 Implementation Project Plan Update

The IPP will be updated on a biweekly basis. The update will be included with the 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 IPP. When submitting an updated IPP, 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 Implementation Project Status Report

This report is prepared biweekly and contains a narrative status of the implementation. The report should describe the activities that have taken place in each major implementation task area for the two week reporting period. It should also include a discussion of outstanding issues and the status of deliverables. If there are problems or potential problems, the DME 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 task/subtasks that are not on schedule. This will be based on the IPP update, which will be forwarded with the status report. The DME 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 Implementation Project Status Report is due two days prior to the biweekly project status meeting (see **Chapter 11.1.3** above) and will be the basis of discussion for the meeting. The report is distributed to all organizations participating in the transitions.

11.2.4 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 to all members of the workgroup, other workgroup heads, the DME MAC Implementation Project Manager, and CMS.

11.2.5 Issues Log/Action Items

Throughout the implementation, each workgroup will prepare an issues log/action items list to assist with its transition activities. The DME MAC Project Manager should prepare a "master" issues log/action items document that will be a compilation of all of the various workgroups issues/action items, plus any additional 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, and any pertinent comments. The master document should be reviewed weekly and updated as required. It should be submitted with the biweekly project status report.

11.2.6 Test Plan

The DME 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. After award, a detailed test plan will be developed. The plan should provide a 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 to CMS within 30 days after the kickoff meeting.

11.2.7 Cutover Plan

A cutover plan will be developed for the cutover period. The plan will be a very detailed day-by-day plan of cutover activities to be performed by the MAC and the outgoing DMERC, 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 30 days prior to the proposed start of the cutover period. It should be updated on a daily basis during the cutover period and used as the basis for the daily cutover meetings. See **Chapter 11.1.5**.

11.2.8 Workload Reports

After the cutover, CMS needs to ensure there is no degradation of performance to the provider/beneficiary community. Therefore, the DME MAC shall provide a daily workload report for at least two weeks after 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 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.**

11.2.9 Communication Plan

The DME MAC will submit a communication plan with its proposal. The plan should identify the various stakeholders, the type of communication activity, frequency, proposed dates, etc. After the kickoff meeting, as the DME MAC obtains additional information from the outgoing DMERC, it will prepare a final communication plan. This should be submitted 30 days after kickoff and is the document that CMS will use to track the MAC's communication activity. See **Chapter 12.2**.

11.2.10 Communication Plan Update

The 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 Implementation Project Status Report.

11.2.11 Risk Management Plan

A risk management plan must be submitted as part of the DME MAC's proposal. The plan should identify potential risks, the probability of occurrence, the impact on the transition, mitigation strategies, and possible contingency plans. Based on information obtained from the outgoing contractor and the MAC's assessment/due diligence, the plan should be finalized 30 days after the kickoff meeting. The finalized plan should be submitted to CMS for review and will be the document used to monitor the DME MAC's risk management activities. See **Chapter 14.2.4.**

11.2.12 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 Implementation Project Status Report. See **Chapter 14.2.5.**

11.2.13 Lessons Learned

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 IPP or the major areas reported on the Implementation Project Status Report. The lessons leaned should analyze what activities were successful and why, and discuss those activities that need improvement. The document should be submitted to CMS 4-5 weeks after cutover so that it can be reviewed prior to the post-project review meeting (see

Chapter 10.6.) CMS encourages the DME MAC to provide its lessons learned to all of the other parties directly involved in the transition who will be submitting similar lessons learned documents. The DME MAC's (and other participants') lessons learned will be used to develop an overall lessons learned document which will be the basis of discussion at the post-project review meeting.

Chapter 12: COMMUNICATIONS

12.1 General

It is imperative that the DME MAC provide extensive and continuous communication with all stakeholders during the transition. 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 DME MAC will need to determine the most effective methods and schedule for providing information throughout its jurisdiction.

The outgoing DMERC will be an integral part of a number of the DME MAC's communication activities. The DMERC 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 DMERC should include the MAC when it conducts its ongoing beneficiary and provider meetings. The DME MAC should also develop articles for the DMERC's newsletters, provide language for MSNs and Remittance Advices, and help develop scripts for the ARU/IVR.

12.2 Communication Plan

The DME MAC is responsible for developing and maintaining a communication plan for its jurisdiction. 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. The plan will be provided to CMS and updated every two weeks.

The 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.

The communication plan will be submitted to CMS as part of its proposal and will review the document as part of its evaluation process. The plan may be in chart, table, or WBS

project plan format. Once contract award has been made, the DME MAC will reassess the plan to determine if there are any changes due to schedule changes or additional information provided by the outgoing contractor or other sources.

12.3 Public Announcement

The DME 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, radio, and/or television stations in the MAC's jurisdiction.

12.4 Congressional Contact

Given the high visibility of a Medicare workload transition, the DME MAC must establish a relationship with the Congressional delegations in its jurisdiction 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 DME MAC's contract award, especially on the outgoing DMERC's staff, and they need to be aware of implementation plans and activities.

The DME 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 around the jurisdiction. These introductory meetings should take place as soon as possible after contract award.

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

12.5 State and Local Contact

The DME 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 DME 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.

12.6 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 DME 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, physicians, non-physician practitioners, and suppliers.

12.6.1 Professional Organization Contact

It is important for the DME MAC to establish a relationship with the major professional organizations in its jurisdiction. This will include organizations such as state medical societies, and specialty groups. The DME MAC will work with the outgoing DMERC to obtain information and contacts for provider groups within the states it serves. The DMERC 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 DME 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 DME 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 DME MAC should attend regularly scheduled provider meetings with the outgoing contractor, as well as any advisory group meetings.

The DME 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 any workshop/seminars/training sessions. The outgoing DMERC can prove helpful in planning provider sessions and it may be able to offer suggestions on the best location and facilities for those meetings.

12.6.2 Provider Contact

The DME MAC must work very closely with the outgoing DMERC 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, Employer Identification Number (EIN), and EMC information. An introductory letter to providers should be sent by the DME 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 DME MAC may wish to personally contact the largest billing providers in the jurisdiction. In addition, the MAC may establish a special transition provider hotline. Providers should also be encouraged to assist the DME MAC with EDI and end-to-end testing.

The DME MAC should work with the DMERC to develop articles regarding the transition for the outgoing DMERC's provider bulletins and other publications. In addition, for the 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 DME 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 DME 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 DME 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.

12.6.3 Provider Workshops/Seminars

Provider workshops or seminars have proven beneficial in previous workload transitions. The purpose is to supplement the transition information being provided through other means. Workshops will provide a more detailed and informative discussion of how changes will affect the billing process, as well as introduce the provider community to the DME MAC's provider relations representative. The DME 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 DME MAC assumes the workload. Topics will include EMC and front end changes, claims submission and address changes, interaction with the functional contractors, and dark days. Edit changes and the possibility of increased suspension/rejection of claims may also be discussed. The DME 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. The location of the workshops should take into consideration major providers and population areas. The outgoing DMERC 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.

12.7 Beneficiary Communication

While the 1-800-MEDICARE and Beneficiary Call Centers will lessen the need for beneficiary contact with Medicare contractors, the DME 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 DME 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.

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

12.8 Social Security Administration

The DME 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 DME 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.

12.9 Transition Partners

Communication with the major participants in the implementation (outgoing DMERC, data center, standard system maintainer, NSC, PSC, QIC) will be thorough and continuous. Protocols for communication are discussed in **Chapter 7, Interaction with other Transition 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 DME 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.

12.10 Internal Communications

It is important that the DME MAC keep its employees informed about the progress of its implementation. 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 DMERC's staff if they are to be hired by the MAC after cutover. The DME 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.

12.11 Website

As part of its communication efforts, the DME 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 DME 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 DMERC's website to provide transition information and links to the DME MAC's website. The MAC may also establish an e-mail mailbox for electronic inquiries and/or transition list-servs for quick electronic updates.

12.12 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 dark days. Transition information can also be made available while beneficiaries and providers are on hold for a customer service representative.

12.13 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 Plan.**

Chapter 13: FINANCIAL PROCESSES

13.1 General

The DME MAC is responsible for the orderly transfer of financial accounts and documents from the outgoing DMERC and the proper payment of claims for the workload that it is assuming. The DME 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 also advise the MAC of the identification numbers to be used for reporting benefit payments.

13.2 Banking

The DME MAC shall follow established CMS procedures to obtain a new bank account or amend its current bank agreement to include the workload that it is assuming. The DME 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 DME 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 DME MAC's bank for deposit into the MAC's account for payment of processed claims. If the DME 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 DME MAC will need to establish the payment dates and payment frequency for its operation. It should obtain the payment schedule of the outgoing DMERC, as this may influence its payment decision. Providers/suppliers will need to be informed repeatedly of any changes to their payment date or frequency.

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

At cutover, the DME MAC must obtain from the outgoing DMERC a final listing of outstanding checks. The DMERC must also provide a voided check register to the MAC. The DME MAC and the DMERC 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 DME 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 DMERC is responsible for the reconciliation of the accounts receivable that will be transferred to the incoming DME MAC. After the MAC's implementation begins, CMS (or a contracted organization) will go on site to conduct an accounts receivable review of the outgoing DMERC. The DME MAC should attend the review sessions to understand the process and the documentation prepared to support the reconciliation.

The DME MAC should be notified in writing by the outgoing DMERC 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 an acceptance statement to be signed by the DME 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 or supplier number) and EIN or TIN;
- Account receivable/overpayment amount being transferred that includes principal and interest;
- Type of account receivable; e.g., duplicate payment, MSP, etc.; and
- The current status of collection action, e.g., interim payments being offset, extended repayment schedule in effect, etc.

The DMERC should also send the permanent administrative file for each provider/debtor transferred to the DME 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 DM EMAC will certify the receipt of the transmittal document and return the receipt to the DMERC no later than 10 calendar days after the date of transfer, with a copy provided to CMS. The DME MAC will review and reconcile the accounts receivable transmittal document and the detailed listing with the administrative files transferred from the DMERC. If the MAC identifies a discrepancy regarding specific accounts receivable, it must meet with the outgoing DMERC and attempt to resolve the issue. If the discrepancy cannot be resolved, transfer accounts receivable to CMS for resolution. The MAC has one year to review and accept all transferred receivables.

13.4.3 Financial Reporting

The DME 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 shall transfer it to the CMS project officer for resolution. The DME 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 DMERCs, information should be included for each outgoing DMERC. All DME 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 DME 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 DME MAC will voucher in accordance with the Federal Acquisition Regulations and any requirements specified in the MAC Request for Proposals. The DME MAC must use the voucher/financial management reporting system provided by CMS and will report implementation costs in accordance with 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 DME MAC for resolution prior to payment. Detailed documentation will facilitate the timely payment of vouchers.

13.6 Implementation Costs

After contract award, the DME MAC may need to refine implementation costs based on any schedule changes or additional information obtained from the outgoing DMERC or through due diligence.

Implementation costs represent the efforts of the DME MAC during its jurisdiction implementation and are non-recurring in nature. Implementation costs may be incurred at any time from the date of contract award. Generally, implementation costs will not be incurred to any great extent after cutover unless there are significant implementation-related operational problems.

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 DME 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 DME MAC's operational cost proposal.

Direct personal service costs of DME 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 DME MAC will propose a separate implementation cost and will voucher using instructions provided by CMS.

13.7 1099 Responsibilities

The outgoing DMERC shall retain responsibility for preparation and submission of the 1099's for the providers it serviced for the year of the transition (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.

The outgoing DMERC shall produce separate 1099's for the Medicare line of business and shall modify the materials going to the providers to reference the incoming DME MAC's name, address and the telephone number for questions and any necessary restatement after the cutover date. If any provider reporting statements are returned as undeliverable mail, the outgoing DMERC shall forward them to the DME MAC.

The outgoing DMERC shall notify the IRS of the transfer of its Medicare operation to the DME MAC. It shall also request a waiver from the IRS that would allow the incoming MAC to file 1099 corrections to the IRS on paper. The outgoing DMERC and the MAC shall enter an agreement wherein the DME MAC will be provided the authority to correct 1099s on behalf of the outgoing contractor.

Medicare claims data used to prepare original 1099s and to research and/or correct prior years' 1099s is subject to the Privacy Act. Therefore, the outgoing DMERC shall complete any processing of claims data in preparation of the 1099s and shall forward the

current and all prior year data to the incoming DME MAC no later than 60 days following the cutover.

The incoming DME MAC shall answer provider questions about 1099s prepared by the outgoing contractor for the transition year and all prior years. The incoming MAC shall prepare corrections to 1099s originally submitted by the outgoing DMERC.

As part of its communication activities with providers, the DME MAC must remind providers that they will receive two 1099s for the year that the transition occurred—one from the DMERC and one from the DME MAC.

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 DME 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 DME 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 DME MAC will identify which risks might affect the transition and document the characteristics of the risk. Identification may come from the DME 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 DME 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 Implementation Project Plan. 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 it occurs; and,

- If other risk options are not practical or beyond the scope of the DME 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 DME 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 1.4**);
- 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 DME MAC submit a risk management plan with its proposal. The DME MAC should submit to CMS a baseline risk management plan no later than 30 days after the MAC has commenced the implementation. This will allow time for the DME MAC to obtain information from the outgoing contractor and complete at least some of its assessment/due diligence. See **Chapter 11.2.11.**

The outgoing DMERC will play an important role in the development of the DME MAC's risk management plan for the transition. After contract award, it is critical the

DME MAC meet with the outgoing DMERC, 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 DME 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 DME 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 DME 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 11.2.12.**

LIST OF EXHIBITS

Exhibit 1 Transition Phases and Terminology

Exhibit 2 CMS Transition Oversight Organizational Chart

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Exhibit 8 Glossary

Exhibit 9 Abbreviations

Exhibit 1
Transition Phases and Terminology

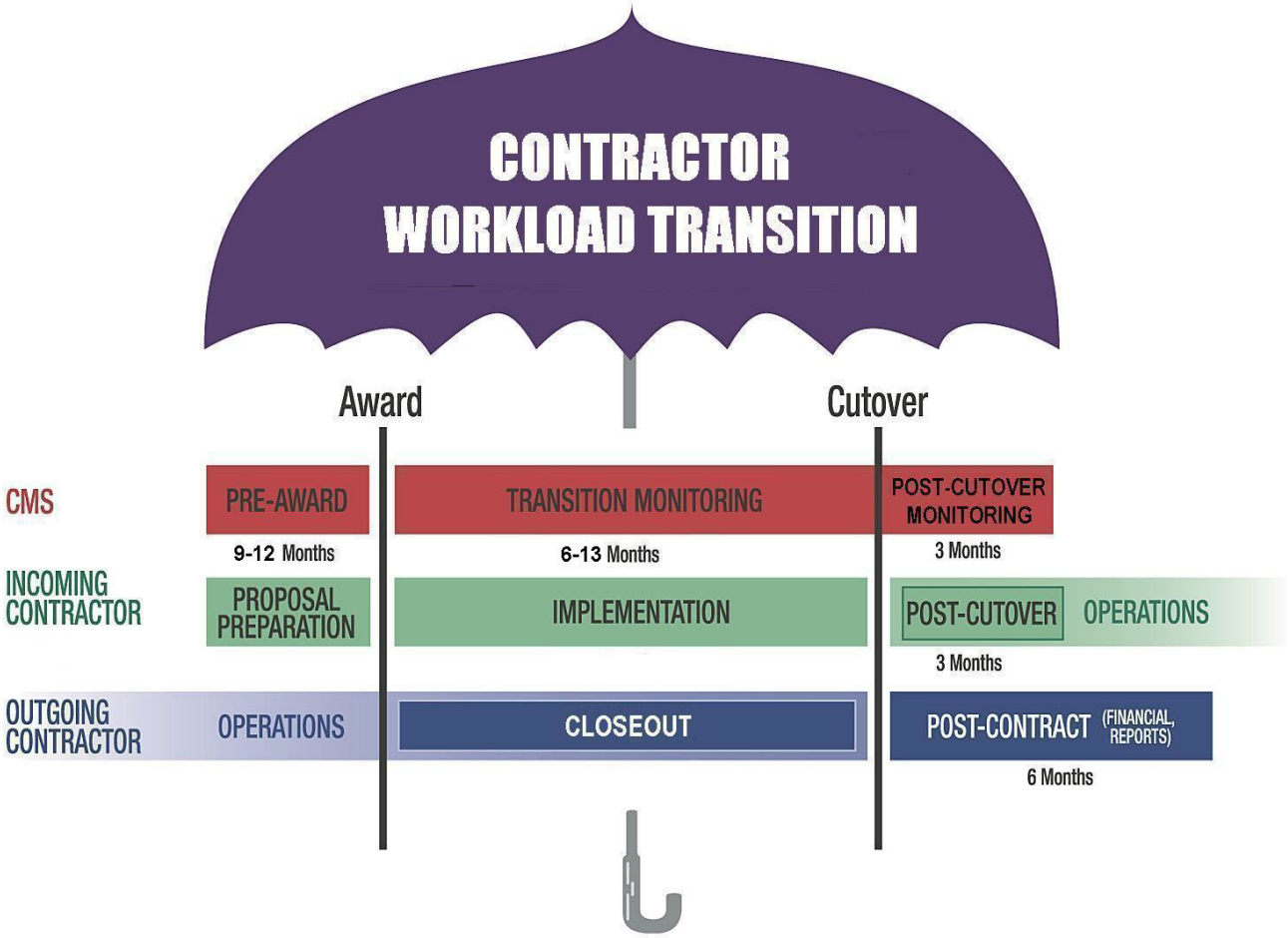

Exhibit 2
CMS Transition Oversight Organizational Chart

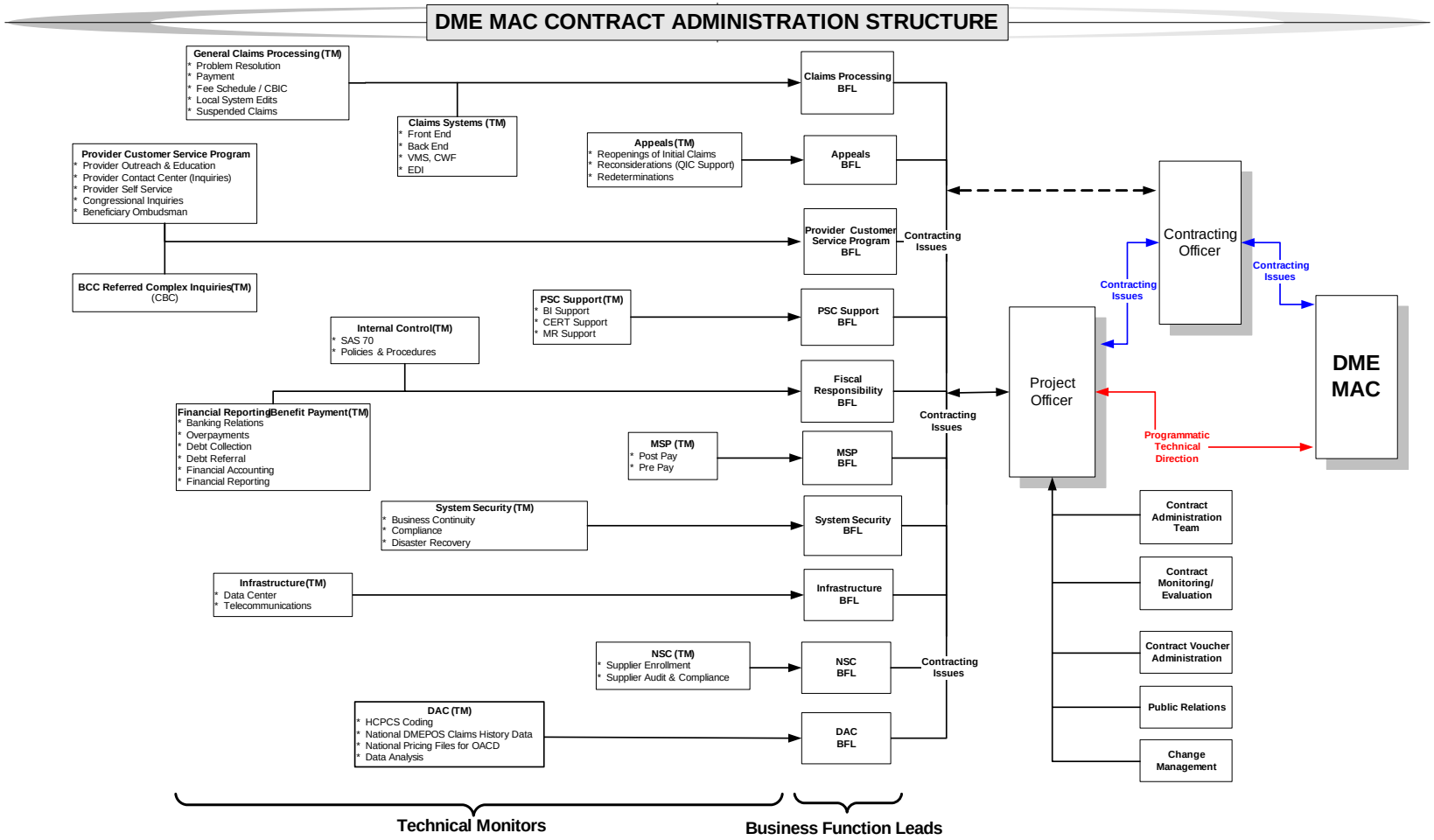

Exhibit 3
Major Tasks and Activities Associated with a Workload Transition

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

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 ACQUISTION/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

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
Sample of Deliverables Requested from Outgoing Contractors

The following is a sample of the types of information and documents that a MAC may request from an outgoing contractor using a deliverables list:

- Copies of the Beneficiary State Tape (BEST) or the Carrier Alphabetical State File (CASF), whichever is appropriate.
- Copies of MSNs, Remittance Advices
- Copies of all notices and bulletins
- Copies of computer forms, operational manuals and written procedures
- Outgoing contractor closeout plan
- Copies of fee schedules and payment schedules
- List of providers on 100% review, providers under investigation for fraud and abuse (including the issues involved) and providers whose cases have been referred 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 that contains most current payment data available on providers at the end of the transition period?????
- A listing of historical provider issues and problems
- Unique procedure information
- Listing of all vendors, suppliers and providers currently submitting EMC claims. Identify the standard format and the media that the vendors, suppliers and providers use to submit EMC claims
- Complete EMC information on all providers 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
- Inventory of all program materials and procedures that are available to the MAC. This should include any government owned property (equipment and supplies).
- List of assets available for purchase from the outgoing contractor.

Exhibit 4
Sample of Deliverables Requested from Outgoing Contractor (Cont.)

- Asset Listing
- Employee information needed for recruitment
- Key contacts—congressional, beneficiary , state groups
- Staffing attrition reports
- Storage indices
- Policies and procedures
- Status of key workload volumes
- Provider profile information
- Accounts receivable
- Listing of providers for EFT, DDE, etc
- Leases related to Medicare operations
- Enrollments inventory
- Status of cost Reports
- STAR databases
- Audit trails for Provider debt
- Workshop schedule

Exhibit 5
Files to be Transferred to a Medicare Administrative Contractor

This list is 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
(Cont.)

Provider										
	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
DME MAC Workload Implementation Meetings and Documentation

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

Abbreviations:
CMS: CO—Contracting Officer; **PO**—Project Officer; **TM**—Transition Manager. **MAC: PM**—Project Manager. **Other: PSC**—Program Safeguard Contractor; **QIC**—Qualified Independent Contractor; **NSC—**National Supplier Clearinghouse; **DAC—**Data Analysis and Coding contractor; **MEDIS—**Medicare Electronic Data Interchange System contractor.

No.	Activity	Description	Purpose	Frequency	Media	Audience	Responsibility	Ref.
1.	*Post-Award Orientation Conference (if held).*	*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, TM; MAC: PM, Project Team.*	*CMS Contracting Officer*	*3.2*
2.	*DME Jurisdiction Transition Kickoff Meeting Agenda.*	*Outline of meeting topics with dial-in teleconference number.*	*To provide participants with an outline of topics to be discussed with estimated times.*	*One-time meeting. Due 3 days prior to meeting.*	*Memo via email.*	*CMS: CO, PO, TM; MAC: PM, Project Team; DMERC; Data Center; NSC; DAC; MEDIS; PSC; QIC, etc.*	*DME MAC Project Manager with CMS input.*	*3.6.2*
3.	*DME Jurisdiction Transition Kickoff Meeting.*	*1 day meeting*	*To review the upcoming DME MAC jurisdiction implementation and associated DMERC closeout activities.*	*One-time meeting scheduled 10-15 days after contract award.*	*Face-to-face meeting with telecon-ference capability.*	*CMS: CO,PO,TM; MAC: PM, Project Team; DMERC; Data Center; NSC; DAC; MEDIS;PSC; QIC, etc.*	*DME MAC Project Manager. CMS will moderate.*	*3.6*
4.	*DME Jurisdiction Transition Kickoff Meeting Documentation.*	*Minutes, record of discussion, issues/ action items.*	*To document the issues and action items from the kickoff meeting.*	*3 days following meeting.*	*Memo via electronic mail.*	*All attendees.*	*DME MAC Project Manager.*	*3.6.2*
5.	*DME 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.*	*Spread-sheet via electronic mail*	*All DME Jurisdiction Kickoff Meeting attendees and others identified to be involved in the transition.*	*DME MAC Project Manager.*	*3.6.2*

No.	Activity	Description	Purpose	Frequency	Media	Audience	Responsibility	Ref.
6.	*Deliverables List.*	*List of items, information, files, etc. requested by DME MAC to be provided by the DMERC and other parties.*	*To facilitate the transition from the DMERC to the DME MAC environment.*	*Development begins at contract award. Maintained and updated throughout the implementation.*	*Memo via electronic mail.*	*CMS: PO, TM; DMERC; MAC PM; data center; NSC; DAC; MEDIS; PSC; QIC, etc.*	*DME MAC Project Manager.*	*3.6.4 4.13*
7.	*Comprehensive Transition Workgroup Schedule/Calendar/ Contact List.*	*Document in calendar format showing all work-groups, 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, TM; MAC: Project Manager; all workgroup members.*	*DME MAC Project Manager.*	*3.7.5*
8.	*Transition Workgroup Agenda.*	*Standardized outline of work-group topics with dial-in telecom-ference number.*	*To provide participants with topics to be covered in the workgroup meeting.*	*One day prior to the meeting.*	*Memo via electronic mail.*	*CMS: PO, TM; MAC: Project Manager; all workgroup members.*	*Workgroup Head.*	*3.7.5*
9.	*Transition Workgroup Meetings.*	*Meetings for the various functional workgroups.*	*To monitor transition tasks and issues of the functional area for which the work-group has responsibility.*	*Weekly meetings throughout the jurisdiction/seg-ment transition.*	*Telecon-ference.*	*All workgroup members.*	*Workgroup Head.*	*3.7.5*
10.	*Transition Workgroup Meeting Documentation.*	*Concise description of the workgroup meeting, issues, and action items.*	*To provide a record and 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: PO, TM; MAC: PM.*	*Workgroup Head.*	*3.7.5*

No.	Activity	Description	Purpose	Frequency	Media	Audience	Responsibility	Ref.
11.	*Implementation Project Status Report.*	*Narrative of DME jurisdiction accomplishments by major tasks, issues/concerns, action items, up-coming activities.*	*To communicate progress and performance against the project schedule, highlight issues, concerns, action items, etc. regarding the DME jurisdiction implementation.*	*Biweekly at least 2 days prior to the Project Status Meeting.*	*Memo via electronic mail.*	*CMS: CO, PO, TM; MAC: PM, workgroup heads; all other atten-dees of the Kickoff Meeting/Contact List.*	*DME MAC Project Manager.*	*11.2.3*
12.	*Transition Project Status Meeting Agenda.*	*Outline of meeting topics with dial-in teleconference number.*	*To provide participants with a description of topics to be discussed with estimated times.*	*Biweekly at least 1 day before meeting.*	*Memo via electronic mail.*	*CMS: CO, PO,TM; MAC: PM, workgroup heads; all other atten-dees of the Kickoff Meeting/Contact List.*	*DME MAC Project Manager.*	*11.1.3*
13	*Transition 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 Implemen-tation Project Plan (IPP).*	*Biweekly.*	*Conference call. Possible face-to-face meeting with tele-conference capability.*	*CMS: CO, PO,TM; MAC: PM, workgroup heads; PSC; Data Center; NSC; DAC; MEDIS; PSC; QIC, etc.*	*DME MAC Project Manager.*	*11.1.3*
14.	*Transition Project Status Meeting Documentation.*	*List of attendees, discussion items, action items.*	*To document the issues and action items from the bi-weekly jurisdiction project status meeting.*	*3 days after meeting*	*Memo via electronic mail*	*All attendees*	*DME MAC Project Manager*	*11.1.3*

No.	Activity	Description	Purpose	Frequency	Media	Audience	Responsibility	Ref.
15.	*DME MAC Implementation Project Plan (IPP).*	*Project plan listing major tasks/ subtasks required for the DME MAC jurisdiction implementation, along with dates, duration, dependencies, and responsible parties.*	*To document all actions required for the DME 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 kickoff meeting.*	*Electronic. Project management software in, or convertible to, MS Project, MS Excel, or PDF format.*	*CMS: CO, PO,TM; MAC: PM; DMERC; data center; NSC; DAC; MEDIS; PSC; QIC, etc.*	*DME MAC Project Manager. Input from all involved entities necessary for baseline IPP. Baseline IPP approved by CMS.*	*4.3.*
16.	*DME MAC Implementation Project Plan (IPP) Update.*	*Current information on the IPP 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 DME MAC Project Manager and all involved parties to effectively monitor and manage the overall project to ensure completion as scheduled.*	*Biweekly. Submitted with the Implementation Project Status Report.*	*Electronic. Project management software in, or convertible to, MS Project, MS Excel, or PDF format.*	*CMS: CO, PO, TM; MAC: PM; DMERC; data center; NSC; DAC; MEDIS; PSC; QIC, etc.*	*DME MAC Project Manager.*	*11.2.2*
17	*Master List of Issues Log/Action Items.*	*Comprehensive list that documents issues/action items including ID, date created, description, responsible party, status, date of resolution. Accumulated from the various workgroups.*	*To track transition issues and action items related to the project. Will be reviewed during the project status meetings.*	*Reviewed weekly and updated as required. Submitted with the biweekly DME MAC Implementation Project Status Report.*	*Distributed by electronic mail.*	*CMS: PO; TM; MAC: PM; workgroup heads; DMERC.*	*DME MAC Project Manager.*	*11.2.5*

No.	Activity	Description	Purpose	Frequency	Media	Audience	Responsibility	Ref.
18	*Communication Plan.*	*A general description and detailed schedule of how the DME MAC will educated and keep all transition stakeholders informed of the progress of the transition and how any changes may affect them.*	*To monitor communication activities and schedules.*	*Overall communication plan submitted as part of DME MAC's proposal. Baseline plan developed within 30 days of kickoff meeting.*	*Distributed by electronic mail.*	*CMS: PO, TM; MAC: PM; DMERC.*	*DME MAC Project Manager with input from DMERC.*	*12.2*
19	*Communication Plan Update.*	*Update on communication activities and schedules.*	*To provide CMS with current information on communication activities and schedules.*	*Biweekly. Submitted with the Implementation Project Status Report.*	*Distributed by electronic mail.*	*CMS: PO, TM; MAC: PM; DMERC.*	*DME MAC Project Manager.*	*12.2*
20	*Test Plan.*	*A specific and detailed description of the resources, types of tests and schedule.*	*To monitor the testing of the DME MAC's claims processing system and operational environment prior to cutover.*	*Overall testing approach submitted with the MAC's proposal. Baseline test plan developed within 30 days of kickoff meeting.*	*Distributed by electronic mail.*	*CMS: PO, TM; MAC: PM; appropriate workgroup heads; data center; NSC; DAC; MEDIS.*	*DME MAC Project Manager.*	*8.2 11.2.6*
21	*Test Plan Update.*	*Update on testing activities and schedules.*	*To track schedule progress and provide current information on testing.*	*Updated on a biweekly basis and submitted with the Implementation Project Status Report.*	*Distributed by electronic mail.*	*CMS: PO, TM; MAC: PM; appropriate workgroup heads; data center; NSC; MEDIS; DAC.*	*DME MAC Project Manager.*	*8.2 11.2.6*

No.	Activity	Description	Purpose	Frequency	Media	Audience	Responsibility	Ref.
22	*Risk Management Plan.*	*A plan that identifies and analyzes risks, prioritizes them, and provides mitigation strategies and contingency plans.*	*To assist in managing and monitoring risks and mitigation activities.*	*Submitted with the DME MAC's proposal. A baseline document submitted within 30 days of kickoff meeting.*	*Distributed by electronic mail.*	*CMS: PO, TM; MAC: PM.*	*DME MAC Project Manager.*	*14.2.4* *11.2.11*
23	*Risk Management Plan Update.*	*Update to risks based on periodic assessment or changed conditions.*	*To have up-to-date mitigation strategies and contingencies based on changes to the implementation environment.*	*As necessary, but at least monthly. Submitted with Implementation Project Status Report.*	*Distributed by electronic mail.*	*CMS: PO, TM; MAC: PM.*	*DME MAC Project Manager.*	*14.2.4* *11.2.12*
24	*Employment Report.*	*A report of DME 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 Implementation Project Status Report.*	*Distributed by electronic mail.*	*CMS: PO, TM; MAC: PM, SPM.*	*DME MAC Project Manager.*	*5.1.3*
25	*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 30 days prior to the start of the cutover period.*	*Distributed by electronic mail.*	*CMS: PO,TM; MAC: PM; DMERC; data center; NSC; DAC; MEDIS; PSC; QIC, etc.*	*DME MAC Project Manager with input from all affected parties.*	*9.2*
26	*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 cutover period (10-14 days prior to cutover.)*	*Distributed by electronic mail.*	*CMS: PO, TM; MAC: PM; DMERC; data center; NSC; DAC; MEDIS; PSC; QIC, etc.*	*DME MAC Project Manager.*	*9.4*

No.	Activity	Description	Purpose	Frequency	Media	Audience	Responsibility	Ref.
27	*Cutover Meeting.*	*Status meeting generally one-half to one hour in length.*	*To review the Cutover Plan and progress of activities, including action items, concerns, risks, and contingencies.*	*Daily during the cutover period (10-14 days prior to cutover) and continuing at least one week after cutover.*	*Telecon-ference.*	*CMS: PO, TM; MAC: PM; DMERC; data center; NSC; DAC; MEDIS; PSC; QIC, etc.*	*MAC Project Manager.*	*9.4*
28.	*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 Cutover Meeting.*	*DME MAC Project Manager.*	*9.4*
29.	*Provider Progress Report.*	*Daily report of numbers and percentages of providers completing EDI/ EFT processes.*	*To track progress of EFT form completion and provider/trading partner EDI set up and testing. Assists MAC in focusing efforts for completion of processes.*	*Daily at the start of the cutover period (10-14 days prior to cutover).*	*Memo via electronic mail.*	*CMS: TM; MAC:PM; DMERC.*	*DME MAC Project Manager.*	*9.5*
30.	*File Transfer Plan.*	*Description of Medicare files and records to be trans-ferred by type, how and where they will be moved, and schedule.*	*To provide the logistics for actual transfer of files and 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: PO, TM; MAC: PM; DMERC.*	*Joint Respon-sibility: DME MAC Project Manager and DMERC Closeout Project Manager.*	*9.7.2*

No.	Activity	Description	Purpose	Frequency	Media	Audience	Responsibility	Ref.
31.	*Production Workload Report.*	*Operational statistics from production, including claims, correspondence, appeals, and customer service statistics. Format and content specified by CMS.*	*To aid in monitoring operations and implementation issues in the post-cutover period.*	*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: TM; MAC: PM*	*DME MAC Project Manager.*	*10.4 Ex. 6*
32.	*Post Project Review (Lessons Learned).*	*A discussion of transition successes and areas that could be improved.*	*To document lessons leaned and determine improvements for the next 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. The DME MAC will also compile lessons learned from other in volved parties into a single document and distribute 1 week prior to the Post-Project Review Meeting.*	*Distributed by electronic mail.*	*CMS: STM, JTC; MAC: PM, SPM; outgoing carrier/intermediary; data center; BCBSA; PSC; QIC; BCC, etc.*	*DME MAC Project Manager with input from project leads of all parties involved in the transition.*	*10.5*
33	*Post-Project Review Meeting (Lessons Learned).*	*2-3 hour meeting.*	*To discuss transition practices that worked well and areas for improvement for future transitions.*	*One time. Approximately 4-6 weeks following cutover.*	*Teleconference or possible face-to-face meeting.*	*CMS: PO, TM; MAC: PM; DMERC; data center; NSC; DAC; MEDIS; QIC, etc.*	*MAC Project Manager.*	*10.6*

Exhibit 8
Glossary

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

Cutover: The actual point at which the outgoing DMERC ceases its Medicare operations and the DME MAC begins to perform DME 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 DME MAC's operational date; i.e., when the DME MAC begins normal DME business operations for the DMERC workload that it assumed at cutover. During the cutover period the outgoing DMERC makes final preparations to shut down its operation and transfer the claims workload to the incoming DME MAC and the DME MAC makes final preparations for the receipt of Medicare files/data and the beginning of DME operations.

Durable Medical Equipment Medicare Administrative Contractor (DME MAC): The incoming contractor that will assume the Durable Medical Equipment functions from the DMERC.

Durable Medical Equipment Regional Carrier: The Medicare carrier that currently performs DME functions under the Title XVIII Medicare contract.

Implementation: The period of time beginning with the award of the DME MAC contract and ending with the operational date of the DME MAC. During this period, the DME MAC performs all of the activities specified in its implementation plan to ensure the effective transfer of Medicare functions from the DMERC.

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

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 DME MAC assumes all Medicare functions from the outgoing DMERC.

Exhibit 8
Glossary (Cont.)

Outgoing Contractor: The Durable Medical Equipment Regional Carrier whose functions will be assumed by the DME MAC.

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

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

Transition: The entire scope of activities associated with moving the functions of a Medicare fee-for-service DMERC to an DME Medicare Administrative Contractor. It includes implementation activities of the DME MAC, closeout activities of the DMERC, and the activities of other parties involved in the transition.

Transition Monitoring: A responsibility of CMS to ensure that Medicare functions are properly transferred from outgoing DMERC to the incoming DME MAC. Transition monitoring begins with the award of the DME MAC contract and ends three months after the operational date of the DME MAC.

Exhibit 9
Abbreviations

BCBSA	Blue Cross and Blue Shield Association
BCC	Beneficiary Contact Center
BFE	Business Function Expert
CMM	Center for Medicare Management
CMS	Centers for Medicare and Medicaid Services
CO	Central Office
CO	Contracting Officer
COB	Coordination of Benefits
CROWD	Contractor Reporting of Operational and Workload Data
CSAMS	Customer Service Assessment and Management System
CTA	Cooperative Transition Agreement
CWF	Common Working File
DAC	Data Analysis and Coding Contractor
DDE	Direct Data Entry
DHHS	Department of Health and Human Services
DME	Durable Medical Equipment
DMEPOS	Durable Medical Equipment, Prosthetics, Orthotics, and Supplies
DMERC	Durable Medical Equipment Regional Carrier
EDC	Enterprise Data Center
EDI	Electronic Data Interchange
EFT	Electronic Funds Transfer
EMC	Electronic Media Claims
ERN	Electronic Remittance Notice
FAQ	Frequently Asked Question
FFS	Fee-for-service
FI	Fiscal Intermediary
FISS	Fiscal Intermediary Standard System
GFP	Government-furnished property
GTL	Government Task Leader
HIGLAS	Healthcare Integrated General Ledger Accounting System
HIPAA	Health Insurance Portability and Accountability Act
IT	Information Technology
IPP	Implementation Project Plan
IVR	Interactive Voice Response
JOA	Joint Operating Agreement
JOSD	Jurisdiction Operational Start Date
JTC	Jurisdiction Transition Coordinator
LCD	Local Coverage Determination
MAC	Medicare Administrative Contractor

Exhibit 9
Abbreviations (Cont.)

MCR	Medicare Contracting Reform
MCS	Multi-Carrier System
MDCN	Medicare Data Communications Network
MMA	Medicare Prescription Drug, Improvement and Modernization Act of 2003
MR	Medical Review
MSN	Medicare Summary Notice
MSP	Medicare Secondary Payer
NARA	National Archive and Record Administration
NSC	National Supplier Clearinghouse
PECOS	Provider Enrollment, Chain and Ownership System
PI	Program Integrity
PO	Project Officer
POR	Provider Overpayment Reporting
PSC	Program Safeguard Contractor
SADMERC	Statistical Analysis Durable Medical Equipment Regional Carrier
QIO	Quality Improvement Organization
QIC	Qualified Independent Contractor
RFP	Request for Proposal
RHHI	Regional Home Health Intermediary
RO	Regional Office
SIPP	Implementation Project Plan
SOW	Statement of Work
SSA	Social Security Administration
SSM	Shared System Maintainer
VMSDME	ViPS Medicare System for Durable Medical Equipment

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STACK:

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