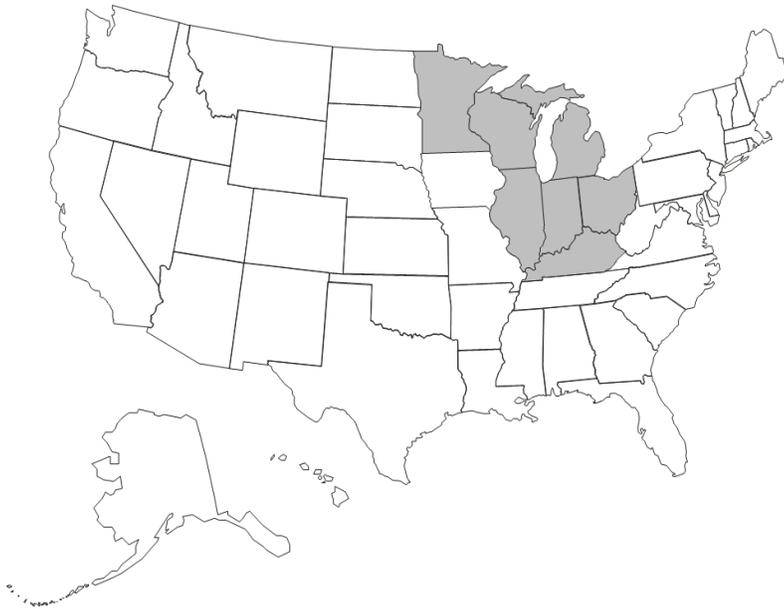


**Award of
Durable Medical Equipment Medicare Administrative Contractor
(DME MAC)
Contract for Jurisdiction B**

- On September 3, 2015, the Centers for Medicare & Medicaid Services (CMS) awarded CGS Administrators, LLC (CGS), a new contract for the administration of Medicare Fee-for-Service claims for durable medical equipment, prosthetics, orthotics, and supplies (DMEPOS) in Jurisdiction B.
- The Jurisdiction B DME MAC serves Medicare beneficiaries who reside in the states of Illinois, Indiana, Kentucky, Michigan, Minnesota, Ohio, and Wisconsin. The seven states are depicted in gray shading in the map below.



- Under the new contract, CGS will begin processing Jurisdiction B claims in late February 2016 from their offices in Nashville, Tennessee.
- Jurisdiction B includes over 6.8 million Medicare Fee-for-Service beneficiaries. The Jurisdiction B DME MAC will serve approximately 18,000 Medicare DMEPOS suppliers. This jurisdiction comprises nearly 21% of the overall national Medicare Fee-for-Service DMEPOS claims volume.
- The Jurisdiction B DME MAC contract includes a base year and four option years, for a maximum duration of five years. The contract is a “cost plus award fee” contract; the award fee will be earned only if the contractor exceeds the base requirements of the contract.

- Inclusive of all options, the new DME MAC Jurisdiction B contract has a total estimated value of approximately \$77.6 million over five years.
- CGS will subcontract some print and mail activities under the new contract to another Medicare contractor, Palmetto GBA, which is based in Columbia, SC.
- CMS will oversee the transfer of DME MAC work from the incumbent contractor, National Government Services (NGS), to CGS over the next several months. NGS is based in Indianapolis, IN.
- CMS anticipates that implementation of the new contract will go smoothly, with few, if any, service issues for Medicare beneficiaries and suppliers.
- Medicare DMEPOS suppliers serving Jurisdiction B beneficiaries should continue to submit their claims to NGS until CMS completes the transition of Jurisdiction B operations to CGS.
- CMS has stringent standards for contract performance on the MAC contracts. CMS measures performance through a variety of processes, including on-site oversight, data reviews and protocol-driven quality assurance reviews, as well as independent audits. As CMS continues to use the competitive process to select claims administration contractors, past performance and technical capability are major evaluation factors.
- Questions about the contract award should be directed to John Webster in CMS' Office of Acquisition and Grants Management. Mr. Webster may be reached at 410-786-7229 or at John.Webster@cms.hhs.gov.