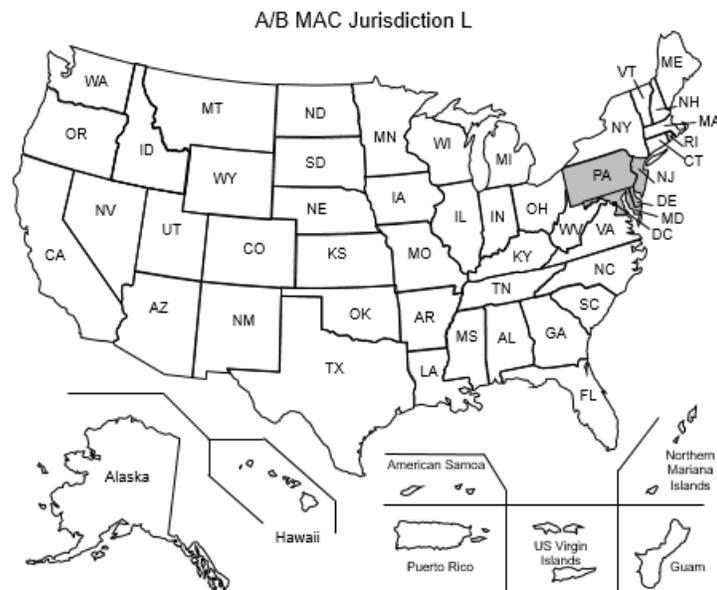


Award of Medicare Administrative Contractor (MAC) Contract for Jurisdiction JL

- On July 27, 2021 the Centers for Medicare & Medicaid Services (CMS) announced that Novitas Solutions, Inc. (Novitas) has been awarded a contract with an effective date of August 1, 2021 for the administration of Medicare Part A and Part B Fee-for-Service claims in the states of Delaware, Maryland, New Jersey, and Pennsylvania, the District of Columbia, including Part B services in Arlington and Fairfax counties in Virginia and the city of Alexandria, Virginia. (A/B MAC Jurisdiction JL). The Jurisdiction L boundaries are depicted in gray shading in the map below.



- This jurisdiction comprises approximately 11.0% of the overall national Medicare Fee-for-Service Part A and Part B claims volume, equating to more than \$40 billion in Medicare benefit payments annually. The A/B MAC Jurisdiction L contract will provide Medicare services to more than 500 hospitals, 108,865 physicians, and 3.8 million Medicare beneficiaries.
- This contract award concludes another re-competition of a Medicare Administrative Contractor (MAC) contract awarded under the competitive contracting provisions of the Medicare Prescription Drug, Improvement and Modernization Act of 2003. Novitas currently services this Medicare workload under an A/B MAC contract that was awarded on September 17, 2012.
- The new A/B MAC Jurisdiction L contract includes a base year and six option years, for a maximum duration of seven years. The contract is a “cost plus award fee” contract; the award fee will be earned only if Novitas exceeds the base requirements of the contract.

- Inclusive of all options, the newly-awarded A/B MAC Jurisdiction L contract has a total estimated value of \$669,311,443 million.
- As Novitas is the incumbent contractor for A/B MAC Jurisdiction L, CMS anticipates that implementation of the new contract will go smoothly, with few (if any) disruptions in service for Medicare beneficiaries and providers.
- To support the performance of the newly-awarded MAC contract, Novitas will perform the contract from offices in Mechanicsburg, Pittsburg and Williamsport, PA, Jacksonville, FL, Milwaukee, WI, Dallas, TX and Columbus, GA.
- In addition to processing Medicare Part A and Part B provider claims in A/B MAC Jurisdiction L, Novitas will perform other critical Medicare functions, including enrolling and auditing Medicare providers, as well as educating these providers on Medicare coverage requirements.
- CMS has stringent standards for contract performance on these contracts and 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, technical approach and past performance will be major evaluation factors.
- Questions about the contract award should be directed to Mark Werder in CMS' Office of Acquisition and Grants Management. Mr. Werder may be reached at 410-786-7839 or at Mark.Werder@cms.hhs.gov.