

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

- On September 17, 2014, the Centers for Medicare & Medicaid Services (CMS) announced that Cahaba Government Benefit Administrators, LLC (Cahaba) has been awarded a contract for the administration of Medicare Part A and Part B Fee-for-Service claims in the states of Alabama, Georgia, and Tennessee (A/B MAC Jurisdiction J).
- This jurisdiction comprises approximately 7.3% of the overall national Medicare Fee-for-Service Part A and Part B claims volume. The A/B MAC Jurisdiction J contract will provide Medicare services to more than 400 hospitals, 50,000 physicians, and 2.5 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. The original MAC contract for A/B MAC Jurisdiction J (formerly designated as A/B MAC Jurisdiction 10) was awarded to Cahaba in January 2009.
- The new A/B MAC Jurisdiction J 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 Cahaba exceeds the base requirements of the contract.
- Inclusive of all options, the awarded A/B MAC Jurisdiction J contract has a total estimated value of \$287.8 million.
- As Cahaba is the incumbent contractor for this MAC jurisdiction, CMS anticipates that implementation of the new contract will go smoothly, with few (if any) disruptions in service for Medicare beneficiaries and providers.
- Cahaba will perform this contract work in its Birmingham, Alabama offices.

- In addition to processing Medicare Part A and Part B provider claims in A/B MAC Jurisdiction J, Cahaba will perform other critical Medicare functions, including enrolling and auditing Medicare providers, as well as educating these providers on Medicare coverage requirements.
- Cahaba will also be responsible for responding to several unique MAC contract requirements; for instance, Cahaba will serve as the national MAC for histocompatibility laboratories.
- 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, past performance and technical approach will be major evaluation factors.
- Questions about the contract award should be directed to Linda Hook in CMS' Office of Acquisition and Grants Management. Ms. Hook may be reached at 410-786-8371 or at Linda.Hook@cms.hhs.gov.