

1st PERSON



An Update on the Transition to MACs

by Marci Cali, BA, RHIT

As we all know, Section 911 of the Medicare Modernization Act (MMA) of 2003 requires the Centers for Medicare & Medicaid Services (CMS) to integrate the administration of Medicare Parts A and B fee-for-service benefits into Medicare Administrative Contractors (MACs). The contracting reform is aimed at integrating the work performed by Medicare Part A fiscal intermediaries and Part B carriers, so that each regional MAC will adjudicate all fee-for-service claims that come from Part A and Part B. The agency plans to award 15 A/B MACs by 2009.

The transition from Medicare Part A fiscal intermediaries and Part B carriers to MACs began more than two years ago. In July 2006, CMS awarded the Jurisdiction 3 (J3) A/B MAC contract to Noridian Administrative Services. The J3 MAC is now fully implemented and operational. In the J3 MAC's first months of operation, the transition appears to be going smoothly. For those within the J3

MAC, now is the time to look carefully at billing cycles and to watch for any trends in terms of delays and denials, and how conflicts and appeals are handled in the new system. If problems emerge, you should also contact your carrier advisory committee (CAC) representative.

The status of MAC contracts under Cycle One of the roll out (which included J1, J2, J3, J4, J5, J7, J12, and J13) is as follows:

- August 2007, CMS awarded J4 A/B MAC contract to Trailblazer Health Enterprises. Trailblazer is scheduled to assume full responsibility by spring 2008.
- September 2007, CMS awarded J5 A/B MAC contract to Wisconsin Physicians Services Health Insurance Corporation. The company is scheduled to assume full responsibility by September 2008.
- October 2007, CMS awarded J12 A/B MAC to Highmark Medicare Services, Inc. On November 5, 2007, Palmetto GBA filed a protest against the award with the GAO.

Currently, the contract is under a stay of performance until CMS completes corrective action on certain aspects of the award decision.

- October 2007, CMS awarded J1 A/B MAC contract to Palmetto GBA. On November 13, 2007, National Heritage Insurance Company filed a protest against the award. In February 2008, the GAO decision was to uphold the contract award.

To summarize, at the time this column goes to press, five MAC contracts have been awarded (J1, J3, J4, J5, and J12), and one award is being protested (J12).

The Cycle Two MAC roll out starting in 2008 will include seven MAC A/B jurisdictions (J6, J8, J9, J10, J14, and J15).

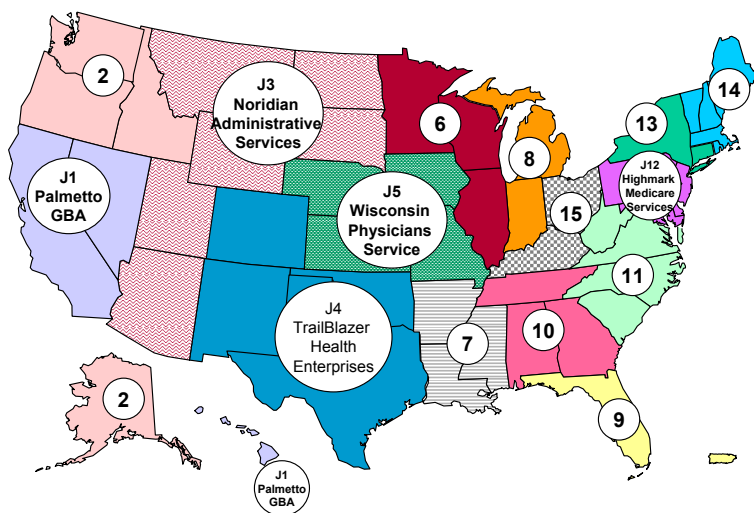
CAC's Role Remains

MACs will continue to use the CACs unless or until there is a change to the Program Integrity Manual (PIM). To date, the three MAC contractors that have implemented services are not planning to change the CAC process and these three have kept in place a CAC from each state. What has changed is representation; to date, each MAC has opted to have one medical director for the MAC, rather than one medical director for each state within the MAC's jurisdiction.

The implementation of regional MACs will result in consolidation of local coverage determinations (LCDs). Having input into that final LCD is an important issue as this transition process continues and states begin to use regional decisions. Ongoing communication individually and between the CACs and MACs will be vital in the ongoing transition process and for consistency in the future. 🗣️

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A/B MAC Jurisdictions



*At press time, the filing of protest against J12 has triggered an automatic stay of performance of the contract.