

**Award of
Part A/B (A/B) Medicare Administrative Contractor (MAC)
Contract for Jurisdiction 5**

- On July 31, 2012, the Centers for Medicare & Medicaid Services (CMS) announced that Wisconsin Physicians Services Insurance Corporation (WPS) has been awarded a contract for the administration of Medicare Part A and Part B fee-for-service claims in the states of Iowa, Kansas, Missouri and Nebraska.
- This new contract also includes the administration of Medicare benefit payments to specified institutional providers, including many hospital and skilled nursing facility (SNF) systems spread across the nation.



- WPS currently services these Medicare workloads under two separate contracts: an A/B MAC contract that was awarded in September 2007, as well as a Medicare Fiscal Intermediary contract that was reassigned to WPS in 2007.
- WPS will subcontract with Hewlett Packard Enterprise Services for data processing support.
- The A/B MAC Jurisdiction 5 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 WPS exceeds the base requirements of the contract.
- Inclusive of all options, the awarded contract has an estimated value of \$217.2 million. CMS issued the solicitation for this contract in June 2011.
- In addition to processing Part A and Part B claims in Jurisdiction 5, WPS will perform other critical Medicare operational functions, including enrolling, educating, and auditing Medicare providers.

- About 2.2 million Medicare fee-for-service beneficiaries reside in Jurisdiction 5. WPS will serve approximately 1750 Medicare hospitals and about 34,000 physicians. This jurisdiction comprises approximately 4.6% of the overall national Medicare fee-for-service Part A and Part B claims volume.
- CMS has stringent standards for contract performance for Medicare claims administration contracts. CMS measures performance through a variety of processes, including on-site reviews, data validation 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.
- As WPS is the incumbent contractor for A/B MAC Jurisdiction 5, CMS anticipates that implementation of the new contract will go smoothly, with minimal disruptions in service for Medicare beneficiaries and providers.
- Questions about the contract award should be directed to Jaime Galvez in CMS' Office of Acquisition and Grants Management. Mr. Galvez may be reached at 410-786-5701 or at Jaime.Galvez@cms.hhs.gov.