

**Award of
Part A/B Medicare Administrative Contractor (A/B MAC)
Contract for Jurisdiction E (previously called Jurisdiction 1)**

- On September 20, 2012, the Centers for Medicare & Medicaid Services (CMS) announced that Noridian Administrative Services (NAS) has been awarded the contract for the administration of Medicare Part A and Part B fee-for-service claims in A/B MAC Jurisdiction E, which was previously called Jurisdiction 1.
- The Jurisdiction E A/B MAC serves beneficiaries in California, Nevada, and Hawaii, as well as U.S territories of American Samoa, Guam, and the Northern Mariana Islands. The three states in Jurisdiction E are depicted below in gray.



- Jurisdiction E includes over 3.5 million Medicare fee-for-service beneficiaries. The Jurisdiction E A/B MAC will serve approximately 500 Medicare hospitals and 86,500 physicians. This jurisdiction comprises approximately 8.9% of the overall national Medicare fee-for-service Part A and Part B claims volume.
- The new Jurisdiction E A/B 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 awarded contract has an estimated value of \$345.2 million.
- In addition to processing Part A and Part B claims in Jurisdiction E, NAS will perform other critical Medicare operational functions, including enrolling, educating, and auditing Medicare providers.
- CMS will oversee the transfer of Medicare work from the incumbent contractor, Palmetto GBA, to Noridian over the next several months. CMS anticipates that implementation of the new contract will go smoothly, with few, if any, disruptions in service for Medicare beneficiaries and providers.

- 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 Brenda Clark in CMS' Office of Acquisition and Grants Management. Mrs. Clark may be reached at 410-786-5165 or at Brenda.Clark@cms.hhs.gov.