

February 2009

Lilly Oncology

Reimbursement Update

Previous Reimbursement Updates can be found at www.LillyPatientOne.com

Lilly Oncology is pleased to offer this newsletter as part of our commitment to patient access to care. For more information about the topics discussed in this issue, please contact Samantha Yu, Manager Reimbursement Consulting for AccessMED, at 650-759-6210.

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This article may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of the written law or regulations or local payer guidelines. We encourage readers to review the specific statutes, regulations and other interpretive materials for a full and accurate statement of their contents.

CMS Announces Final A/B MAC Contracts

Transition to Medicare Administrative Contractors to be Completed by March 2010

The Centers for Medicare and Medicaid Services has completed the Medicare A/B Administrative Contractor (MAC) competitive bidding process and has announced that all Part A/B MAC contracts have now been awarded.

The A/B MAC model replaces the Medicare claims processing model that had been in place for more than 40 years in which Medicare Part A claims were handled by *fiscal intermediaries* and Medicare Part B claims were processed by *carriers*. MACs will now administer both Medicare Part A and Medicare Part B fee-for-service claims payments within the jurisdictions to which each is assigned.

Medicare Part A applies to entities such as hospitals, skilled nursing facilities and other institutional providers. Medicare Part B applies to providers such as physicians, labs, and other qualified practitioners.

In January 2009, CMS awarded contracts for the final five A/B MAC jurisdictions (J6, J8, J10, J11 and J15). (See map on Page 2.) The MACs responsible for these jurisdictions have begun the transition process and are expected to assume full responsibility no later than March 2010. Physicians and other health care providers in many of the 14 states within these newly-awarded jurisdictions will move from their current Part B carrier or Part A fiscal intermediary to their newly-assigned MAC as the transition period unfolds over the coming year.

The transition in all other jurisdictions is underway or has already been completed. The competitive bidding process began in April 2005, and the first contracts were awarded in 2006.

MAC contracts include a base period of one year and four one-year options based on performance requirements established by CMS. Contracts must be re-bid at least every five years.

As a result of the competitive bidding process, there are now 10 MACs responsible for processing Medicare Part A and Part B claims in the United States and its territories, and the number of entities contracting with CMS for claims processing has been significantly reduced. ♦

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Answers That Matter.

A/B MAC Jurisdictions Map

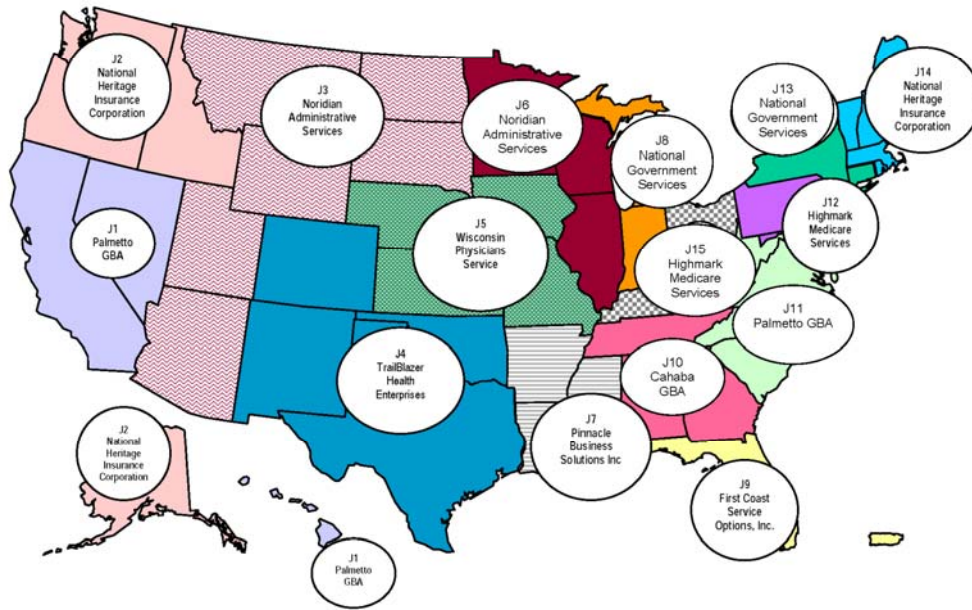


Figure 1: Medicare Administrative Contractors as of February 2009

MAC	Jurisdiction	States	Web Site ¹
Cahaba	J10	Alabama, Georgia, Tennessee	www.cahabagba.com
First Coast	J9	Florida, Puerto Rico and the US Virgin Islands	http://www.floridamedicare.com/
Highmark	J12	Delaware, DC, Maryland, New Jersey, Pennsylvania	www.highmarkmedicare.com
	J15	Kentucky, Ohio	
NGS	J8	Indiana, Michigan	www.ngsmedicare.com
	J13	Connecticut, New York	
NHIC	J2	Alaska, Idaho, Oregon, Washington	http://www.medicarenhic.com/
	J14	Maine, Massachusetts, New Hampshire, Rhode Island, Vermont	
Noridian	J3	Arizona, Montana, North Dakota, South Dakota, Utah, Wyoming	www.noridianmedicare.com
	J6	Illinois, Minnesota, Wisconsin	
Palmetto GBA	J1	California, Hawaii, Nevada, American Samoa, Guam and the Northern Mariana Islands	www.palmettogba.com
	J11	North Carolina, South Carolina, Virginia, West Virginia	
Pinnacle	J7	Arkansas, Louisiana, Mississippi	http://www.arkmedicare.com/ http://www.lamedicare.com/default.aspx Mississippi – to be announced
Trailblazer	J4	Colorado, New Mexico, Oklahoma, Texas	http://www.trailblazerhealth.com/
WPS	J5	Iowa, Kansas, Missouri, Nebraska	http://www.wpsic.com/medicare/

¹ Note: Web sites for contractors in J6, J8, J10, J11, and J15 are expected to be updated as the transition period progresses.

Information about A/B MAC contracting and Medicare contracting reform is available on the CMS Web site at http://www.cms.hhs.gov/MedicareContractingReform/07_PartAandPartBMedicareAdministrativeContractor.asp#TopOfPage.

The January 7, 2009 announcement regarding the J6, J8, J10, J11 and J15 contract awards can be found at <http://www.cms.hhs.gov/apps/media/press/release.asp?Counter=3396&intNumPerPage=10&checkDate=&checkKey=&srchType=1&numDays=3500&srchOpt=0&srchData=&keywordType=All&chkNewsType=1%2C+2%2C+3%2C+4%2C+5&intPage=&showAll=&pYear=&year=&desc=&cboOrder=date> ◆