Practical Tips

Medicare Contracting Reform

The Medicare Modernization Act (MMA) of 2003 initiated the most significant changes to the administration of the Medicare program since its inception in 1965. The contracting reform provisions in the MMA required fundamental changes to the operational infrastructure of the Medicare fee-for-service program. For example, the reform requires the re-engineering of

fee-for-service business processes, and provides incentives to encourage innovation, outstanding service, and customer satisfaction. The fee-for-service contracting reform also integrates Medicare Parts A and B under a single contractor, known as a Medicare administrative contractor (MAC). With this change, providers will have one contractor per designated region that will

Figure 1. Medicare administrative contractor jurisdiction map.

Table 1. Medicare Administrative Contractor Jurisdiction Information

Jurisdiction	States	Company	Award Date
1	American Samoa, Guam, Northern Mariana Islands, CA, HI, NV	Palmetto GBA	October 25, 2007
2	AK, ID, OR, WA	National Heritage Insurance Company (NHIC)	May 5, 2008
3	AZ, MT, ND, SD, UT, WY	Noridian Administrative Services	July 31, 2006
4	CO, NM, OK, TX	Trailblazer Health Enterprises	August 3, 2007
5	IA, KS, MO, NE	Wisconsin Physician Services (WPS)	September 4, 2007
7	AR, LA, MS	Pinnacle Business Solutions	June 11, 2008
12	DE, DC, MD, NJ, PA	Highmark Government Services (HGS)	October 24, 2007
13	CT, NY	National Government Services (NGS)	March 18, 2008

Physician Payment Update

On July 15, 2008, the House of Representatives and the Senate both voted to override the President's veto of the Medicare Improvements for Patients and Providers Act of 2008, which averted the 10.6% cut in physician payments under the Medicare Physician Fee Schedule. Given that Congress over-rode the veto, the law will go into effect and provide a 0.5% increase for the remainder of 2008 (retroactive to July 1, 2008) and will provide a 1.1% increase for the year 2009.

process both Part A and Part B claims. Providers will now rely on one entity, their MAC, for coverage and reimbursement policies, claims processing issues, and general provider information.

MACs are being awarded by the Centers for Medicare and Medicaid Services using a competitive acquisition process, which is outlined under the Federal Acquisition Regulations. Each MAC has a defined geographical jurisdiction that covers multiple states (Fig 1). Eight MAC contracts have now been awarded. Table 1 outlines each jurisdiction and the states within each jurisdiction, the company awarded the MAC contract, and the award date.

For additional information on Medicare Contracting Reform, MACs, as well as information on your state Carrier Advisory Committee (CAC) representative, visit www.asco.org/cac. You can also contact Laura Cathro, ASCO's Medicare Program Coordinator, at 571-483-1642 or laura.cathro@asco.org.

ASCO Activities Specific to MAC Transition

- ASCO has developed a MAC Advisory Group that includes two Career Advisory Committee (CAC) representatives from each of the 15 assigned A/B MAC jurisdictions, and works to develop models for coordinating input on oncology policies among affected states, actively monitors the consolidation of local coverage determinations (LCDs) within the new MAC jurisdictions, and reports out to other stakeholders in their areas.
- CAC Network E-News is a monthly electronic newsletter to hematology/oncology CAC representatives, state society presidents, and state society executive directors that contains updates on MAC awards, draft and final oncology-specific local coverage determinations, national coverage developments, and recent FDA approvals. These e-newsletters are available at <http://www.asco.org/ASCO/Legislative+%26+Regulatory/Medicare+Coverage/CAC+News>.
- ASCO reaches out to Carrier Medical Directors to raise awareness of ASCO, its state/regional affiliates, and the oncology CAC representatives as the authoritative resources on cancer care.

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SAVE THE DATE: 2009 ASCO ANNUAL MEETING

The 2009 ASCO Annual Meeting will be a forum for cutting-edge scientific and educational developments in oncology with a focus on personalizing cancer care. Please plan to join the global oncology community at this event: May 29-June 2 in Orlando, Florida. For updates, visit www.asco.org/annualmeeting.

American Society of Clinical Oncology