

# Health Law Bulletin

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## Arkansas Medicare Contractor To Change In Early 2012



On November 8, the Centers for Medicare and Medicaid Services (CMS) announced that Highmark Medical Services will become the Medicare Administrator Contractor (MAC) for the region of the country that includes Arkansas. The change is the result of a competitive bidding process mandated by Congress.

Previously, there were two types of Medicare contractors: fiscal intermediaries and carriers. Fiscal intermediaries processed Medicare claims for Medicare Part A services (hospitals, long-term care and others). Medicare carriers processed claims for Medicare Part B services (physicians and other outpatient services). In recent years, CMS has moved away from the “fiscal intermediary” and “carrier” terminology and has begun using the term “Medicare Administrative Contractor.”

In Arkansas, for many years, Pinnacle Business Solutions, a subsidiary of Arkansas Blue Cross Blue Shield, was both the fiscal intermediary (Part A) and carrier (Part B). When the terminology changed, Pinnacle Business Solutions was Arkansas’ Medicare Administrative Contractor. However, beginning sometime in early 2012, that will change.

Each fiscal intermediary or carrier (now MAC) serves a region of states. As part of the competitive contracting process, CMS is reducing the number of regions (jurisdictions) in the country to ten. Arkansas will be part of Jurisdiction H, along with Colorado, Louisiana, Mississippi, New Mexico, Oklahoma, and Texas. Highmark Medical Services will be the MAC for Medicare providers and beneficiaries in all of those states. The Highmark contract is for one year, with the option of four annual renewals.

CMS has stated that it expects the transfer of the Medicare workload in Arkansas from Pinnacle to Highmark to be completed in early 2012. All of Jurisdiction H is expected to be transferred to Highmark by late July 2012.

Highmark has experience as a Medicare Administrative Contractor for a number of eastern states. CMS has stated that it anticipates that the transfer to a new MAC will go smoothly, with few disruptions for Medicare beneficiaries or providers.