
PSCs to ZPICs

Brenda Thew, Director

Division of Benefit Integrity Management Operations

Program Integrity Group

Centers for Medicare & Medicaid Services

“There is no kind of dishonesty into which otherwise good people are more easily and frequently fall than that of defrauding the government.”

Benjamin Franklin (1706 – 1790)



Program Safeguard Contractors

- PSCs grew out of the Health Insurance Portability and Accountability Act (HIPAA) of 1996
- HIPAA gave CMS the authority to enter into specialized contracts with entities (PSCs) to promote the integrity of the Medicare program
- PSC responsibilities include data analysis and benefit integrity work to identify Medicare fraud and abuse and work closely with law enforcement
- There are currently 10 PSCs that conduct fraud and abuse activities under Part A & B Medicare.

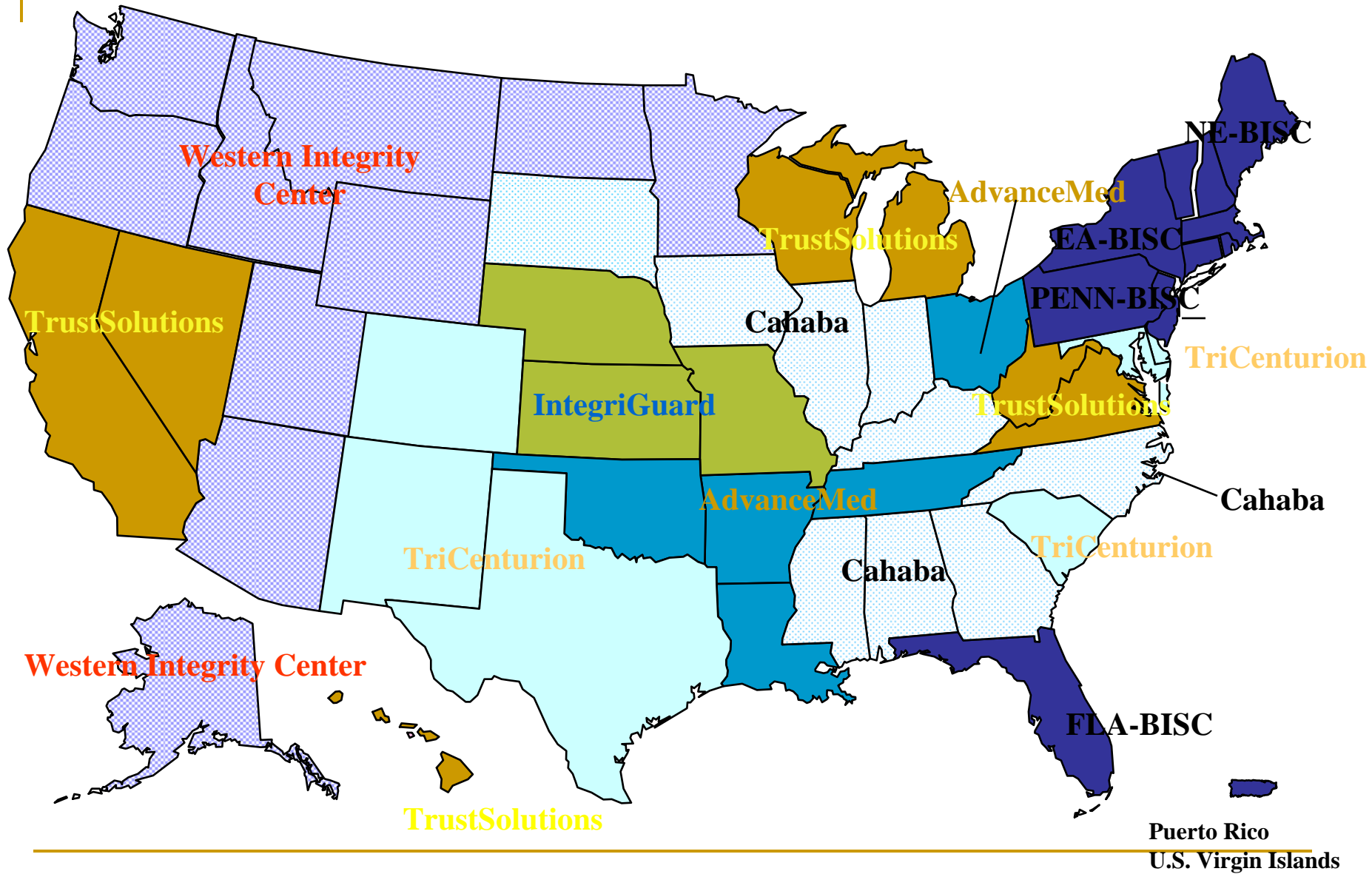
The Ten PSCs

- AdvanceMed, a CSC Company
- Aspen Systems Corporation
- Cahaba Safeguard Administrators, LLC
- Integriguard, LLC
- Computer Sciences Corporation (CSC)
- Electronic Data Systems (EDS)
- Lifecare Management Partners
- Science Applications International, Inc. (SAIC)
- TriCenturion
- TrustSolutions, LLC

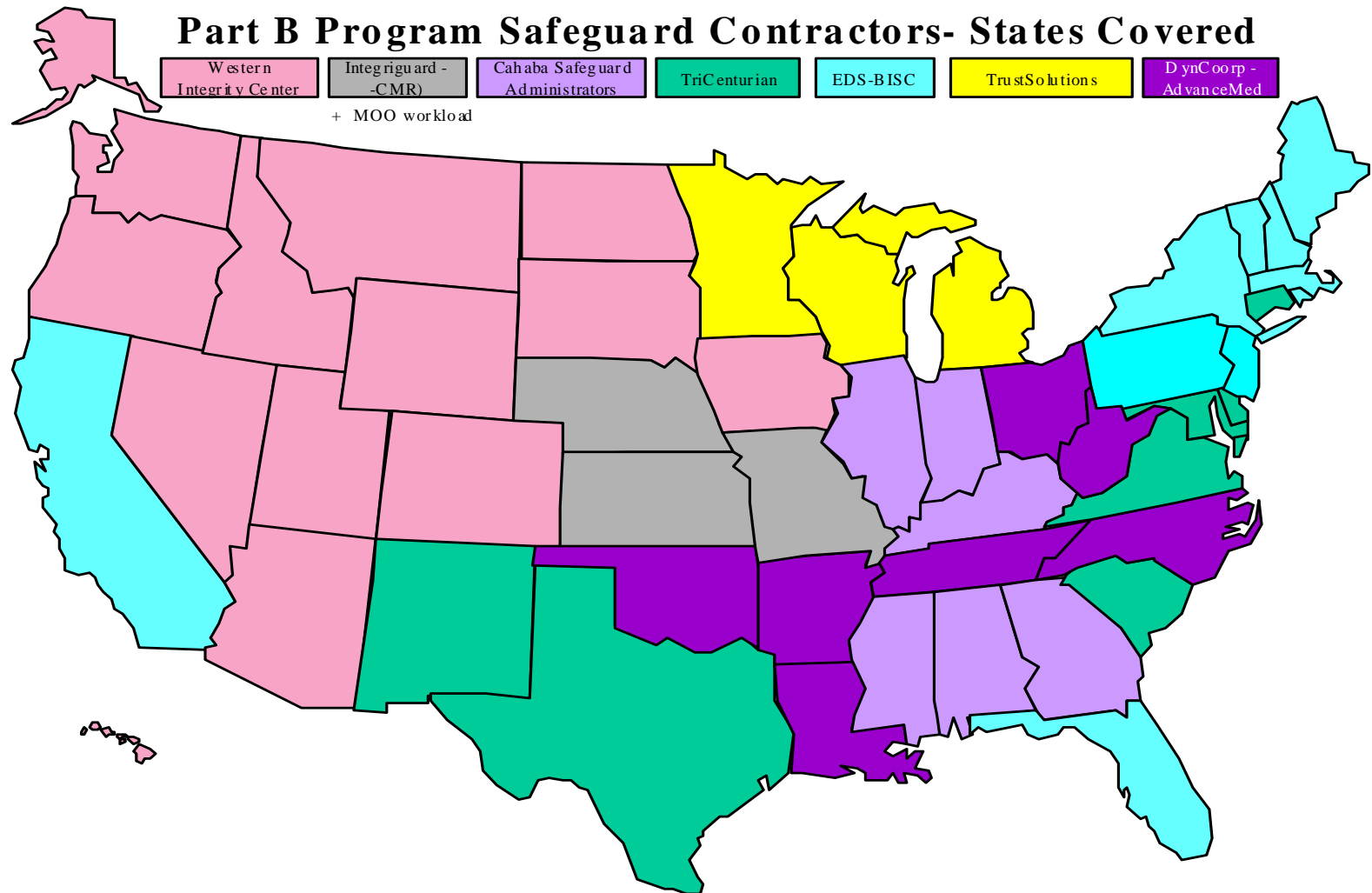
Current Contracting Environment

- 16 PSC Benefit Integrity (BI) task orders
 - A / B / RHHI Claims
- 3 DME PSC task orders
 - BI activities
 - Straight MR
- Medi-Medi projects are awarded as a task to one of many BI task orders for the state.
 - Current Medi-Medi Task Orders:
Texas, Florida, North Carolina, New York, New Jersey, Pennsylvania, Ohio, Illinois, California, Washington, Colorado, Oklahoma

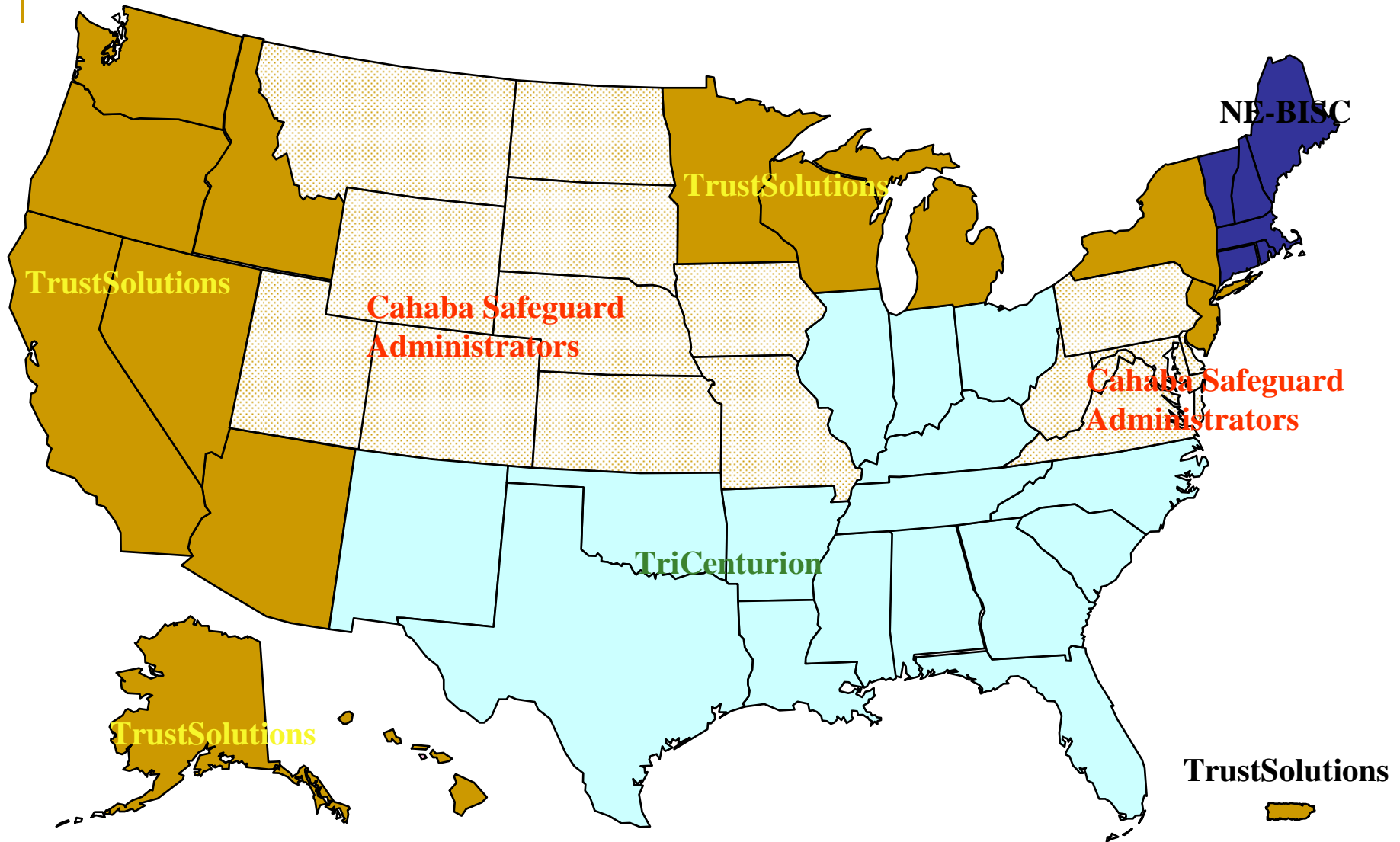
PSC Part A Jurisdictions



PSC Part B Jurisdictions



RHHI PSC Jurisdiction



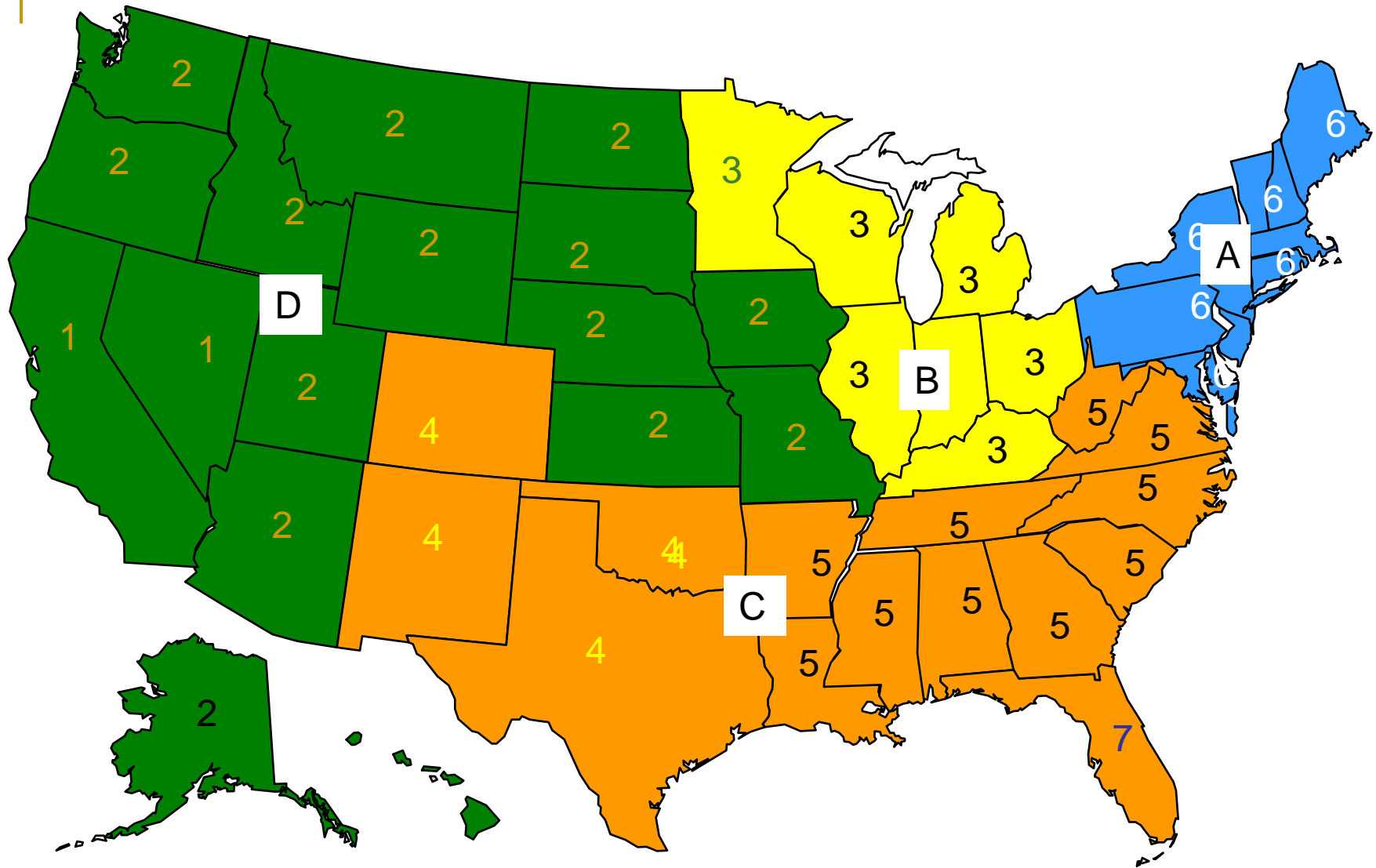
Beginning of the MAC Environment

- Medicare Contracting Reform
- MMA Section 911
 - Integrates Medicare Part A and B contractors into a new single authority (MACs)
 - 6 years for CMS to competitively bid and transition all FFS contracts
 - Completion in 2011

Durable Medical Equipment (DME) Strategy

- PSC jurisdictions aligned with DME MAC jurisdictions
- PSC liaison position created at MACs
- MAC liaison position created at PSCs
- JOAs utilized for interaction and coordination between DME MACs and PSCs

Specialty MAC Jurisdictions - RHHI



A/B MAC

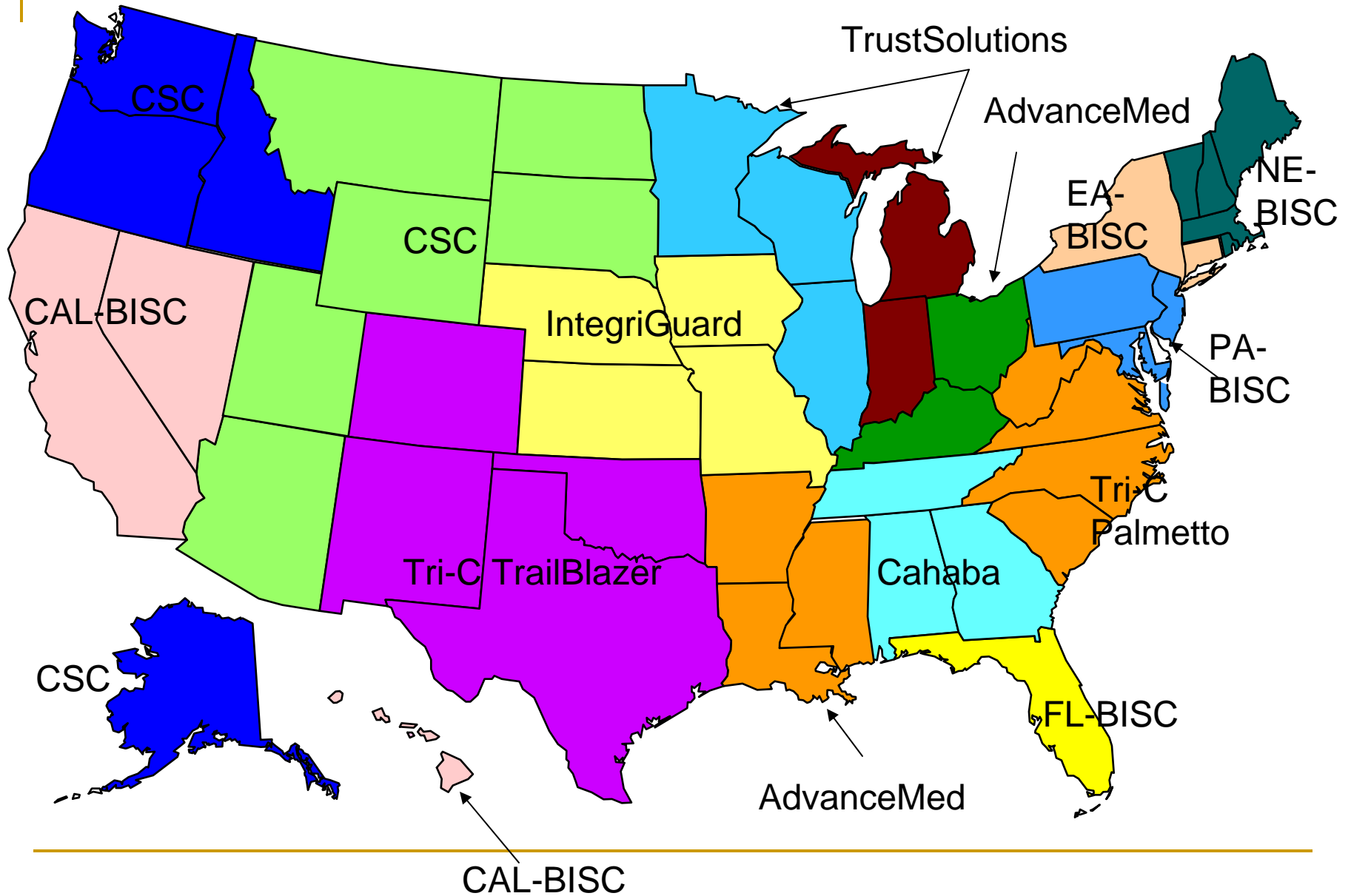
- PSCs to be aligned with A/B MAC jurisdictions
- BI work remains with PSCs
- PSC and MAC liaison positions
- JOAs utilized for interaction and coordination between A/B MACs and PSCs

ZPIC Strategy

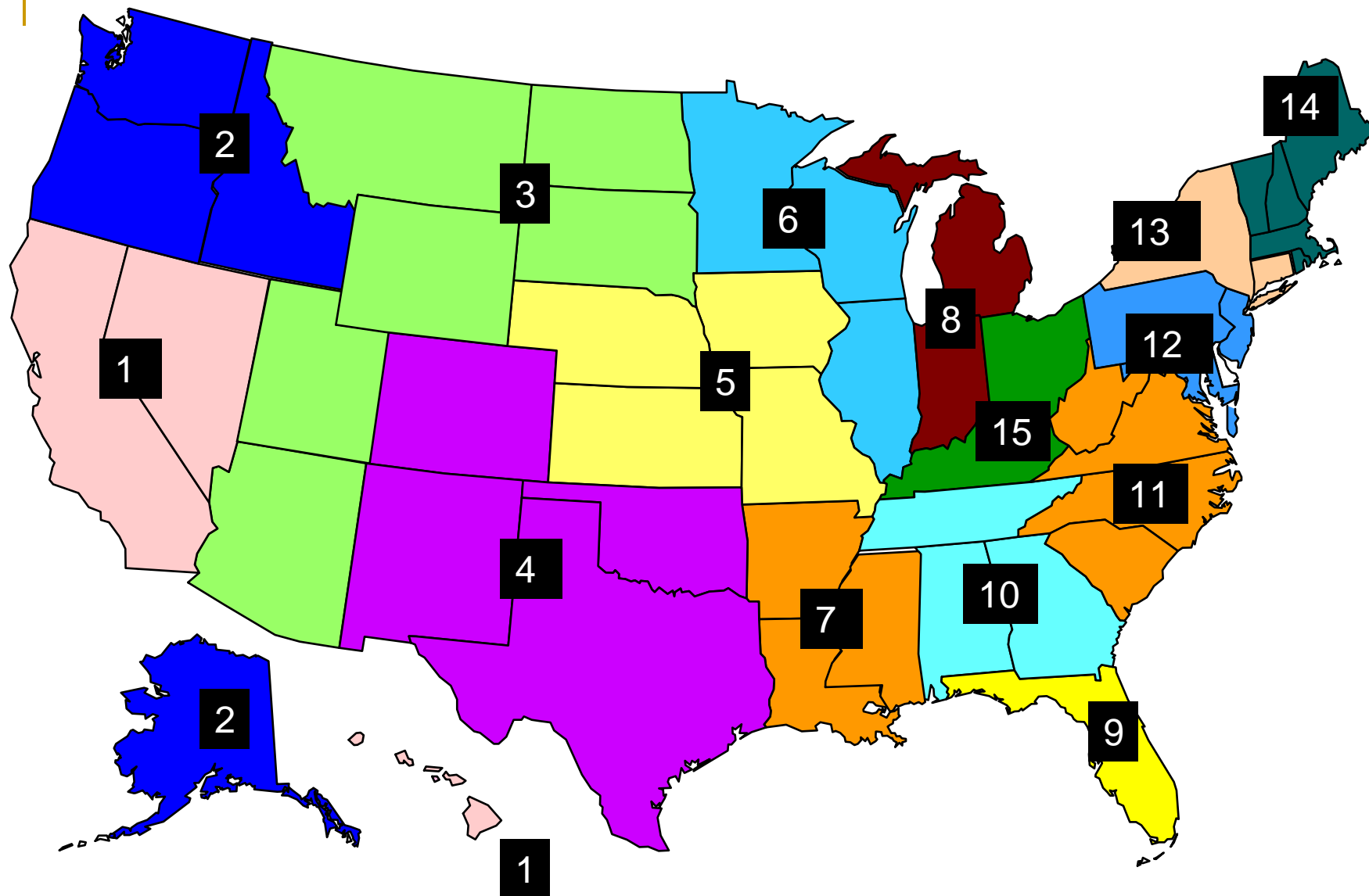
Align PSCs with MACs

- Seven zones were created for the ZPICs based on the newly established MAC jurisdictions.
- These zones address fraud “hot spots”
- Contracting strategy integrates Medicare FFS and Medi-Medi program integrity functions
- Strategy achieves best value for CMS by leveraging economies of scale and concentrating in high fraud areas

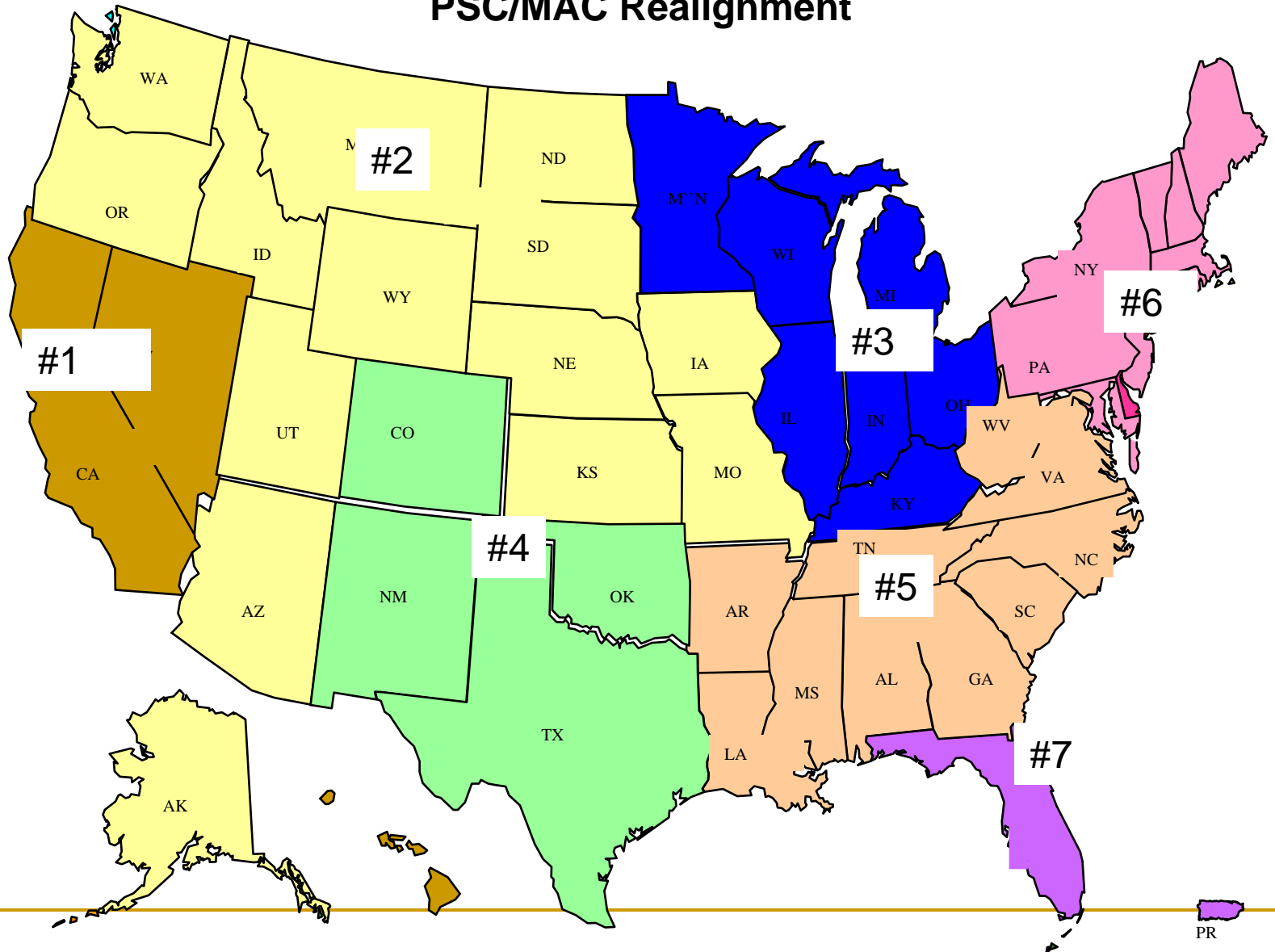
Overview of Original PSC Jurisdictions



Primary A/B MAC Jurisdictions



ZPIC Zones for PSC/MAC Realignment



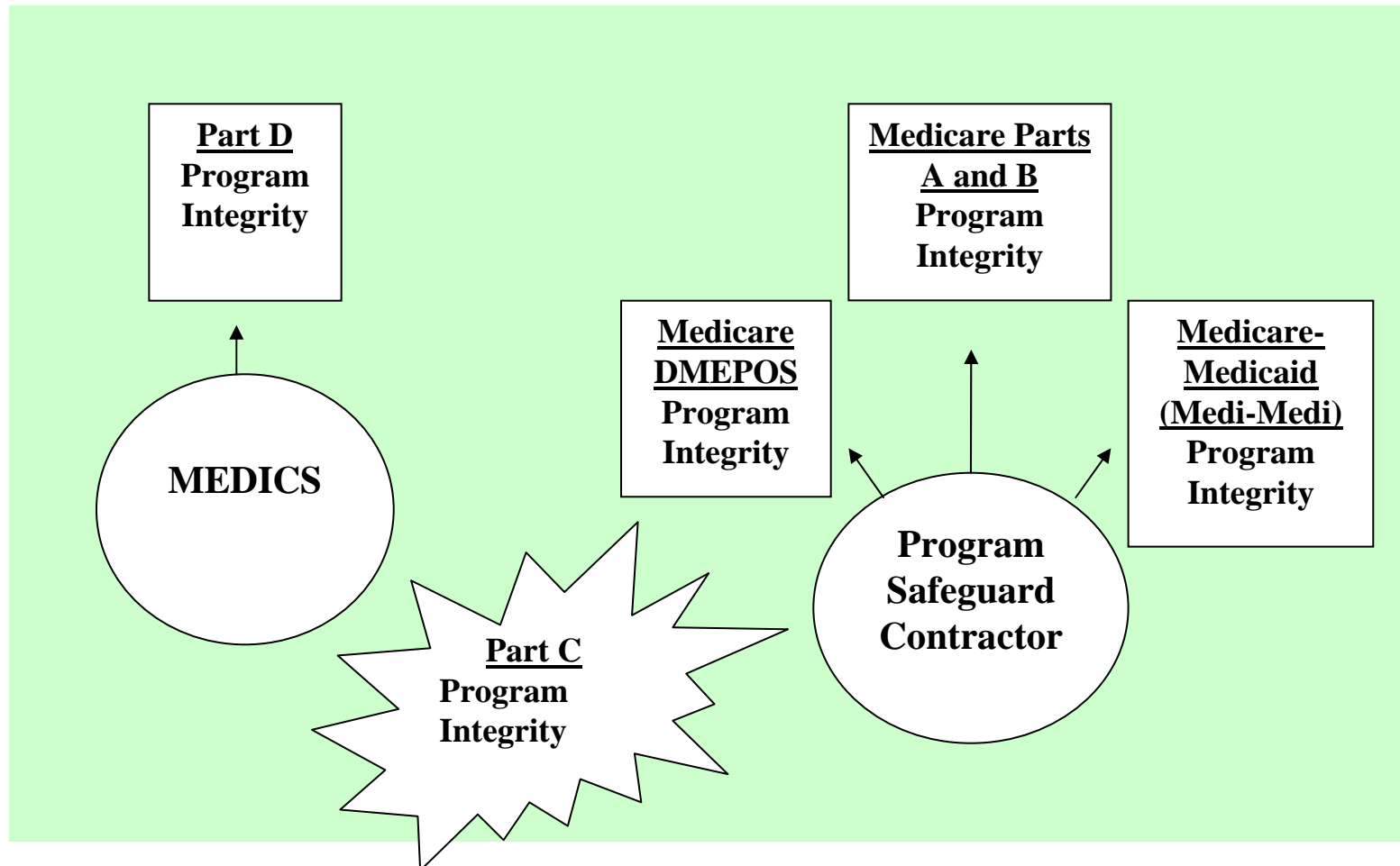
ZPIC Seven Zones

- Seven zones based on MAC jurisdictions
- Five “hot spot” zones
 - ❑ California, Florida, Illinois, New York and Texas
 - ❑ “Hot spots” align with Program Integrity field offices
 - ❑ Focus on quick response to fraud and administrative actions
- Two other zones
 - ❑ 24 states with relatively less incidence of fraud
 - ❑ Continue using proven PSC processes

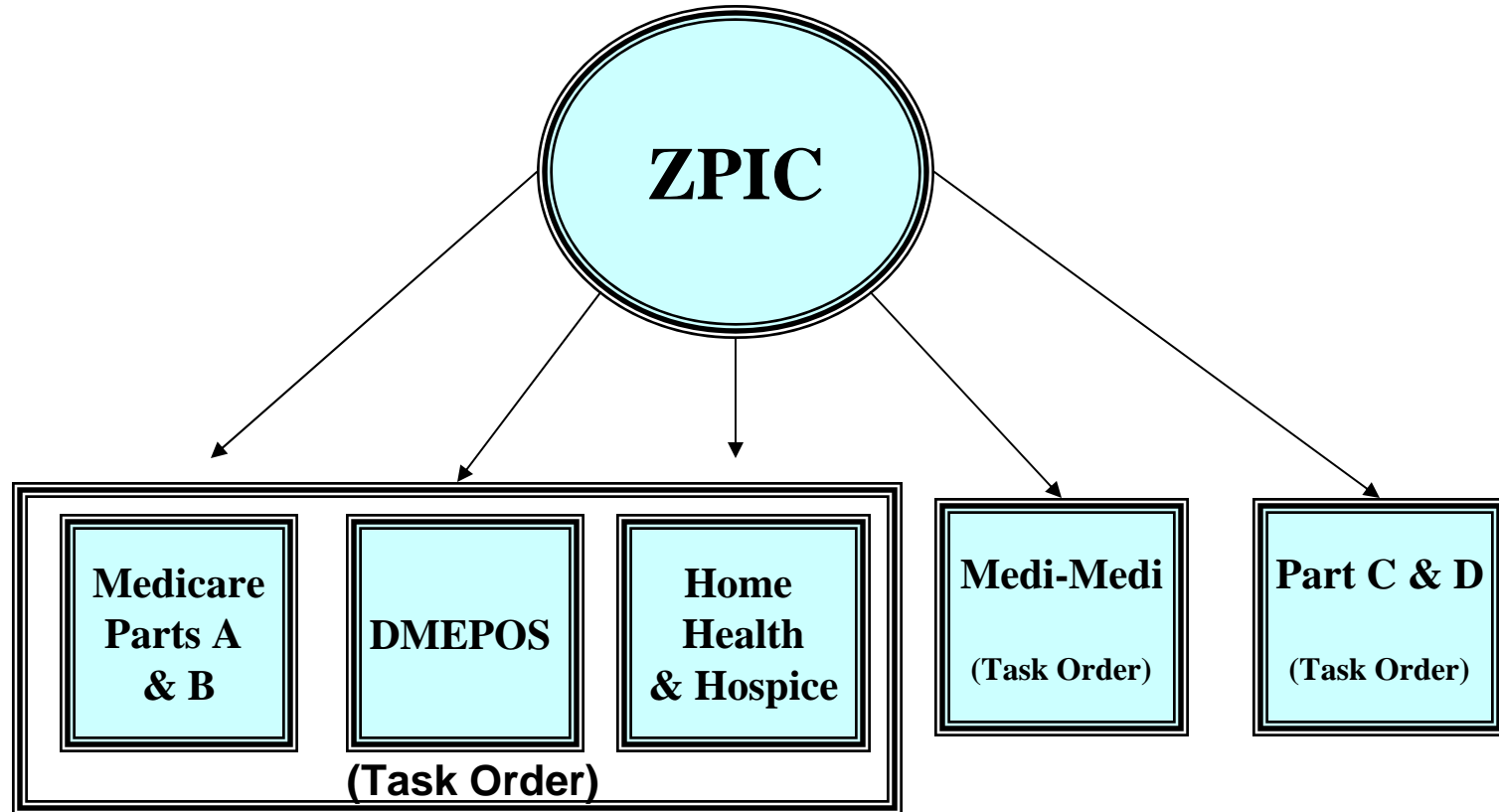
Contracting Strategy

- Issue a Single IDIQ contract for each zone.
- Issue separate task orders for:
 - Medicare Parts A, B, DME, and HH
 - Medi-Medi
 - Part D (after 2009)
 - Managed Care
 - Cost Report Audit
 - Specialty task orders for Field Office projects
- Each task order/CMS component will have its own Contracting Officer's Technical Representative (COTR).

Current Program Integrity Environment



ZPIC FUTURE ENVIRONMENT



Benefits of the ZPIC Strategy

- Increased efficiency to look at providers across all benefit categories
- Economies of scale through the consolidation of contractor management, data/IT requirements, facility costs, etc.
- Streamline CMS costs in acquisition, management and oversight
- Better coordination and less resources required for the States
- Increased security of PHI due to fewer contractors handling the data

Implementation Timeline

- During FY 2008:
 - ❑ Awarded PSC and Medi-Medi task orders in Zones 4 and 7
 - ❑ Expand Medi-Medi to states in operational Zones
- Calendar Year 2009 Goals:
 - ❑ Award IDIQ and associated task orders in additional zones
 - ❑ Expand Medi-Medi to additional states

PSC/ZPIC and RACs

- PIM instructions pending:
 - PSC/ZPIC entries into RAC Data Warehouse
 - Suppressions
 - Exclusions
 - JOA
 - Coordination and Communication
-