

JOSEPH I. LIEBERMAN, CONNECTICUT, CHAIRMAN

CARL LEVIN, MICHIGAN
DANIEL K. AKAKA, HAWAII
THOMAS R. CARPER, DELAWARE
MARK L. PRYOR, ARKANSAS
MARY L. LANDRIEU, LOUISIANA
CLAIRE McCASKILL, MISSOURI
JON TESTER, MONTANA
MARK BEGICH, ALASKA

SUSAN M. COLLINS, MAINE
TOM COBURN, OKLAHOMA
SCOTT P. BROWN, MASSACHUSETTS
JOHN MCCAIN, ARIZONA
RON JOHNSON, WISCONSIN
ROB PORTMAN, OHIO
RAND PAUL, KENTUCKY
JERRY MORAN, KANSAS

MICHAEL L. ALEXANDER, STAFF DIRECTOR
NICHOLAS A. ROSSI, MINORITY STAFF DIRECTOR

United States Senate

COMMITTEE ON
HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS
WASHINGTON, DC 20510-6250

October 6, 2011

Dr. Donald Berwick
Administrator
Centers for Medicare & Medicaid Services
200 Independence Avenue SW
Washington, D.C. 20201

Dear Dr. Berwick:

I am writing to request a briefing regarding new developments with the Medicare Secondary Payer Recovery Contractor (MSPRC).

On April 28, 2010, the Subcommittee held a hearing entitled, "Oversight of Contract Management at the Centers for Medicare and Medicaid Services." At the hearing, I released a fact sheet summarizing the Subcommittee's investigation of the MSPRC contract. The Subcommittee found ongoing problems with the performance of the contractor, Chickasaw Nation Industries (CNI), which had been awarded the contract without competition.¹ At the time, CNI officials acknowledged to the Subcommittee that it had failed to meet several contract requirements, including requirements relating to the timely performance of its recovery duties, but that it had some improvements.²

I recently learned that CMS may not renew its contract with CNI when it expires on November 1, 2011. Instead, CMS will combine its MSPRC and Coordination of Benefits Contractor (COBC) contracts into one contract. Until the new contract is awarded, the MSPRC will be taken over by Group Health Incorporated (GHI), which is the current COBC.³ The

¹ U.S. Senate Committee on Homeland Security and Governmental Affairs, Subcommittee on Contracting Oversight, *Hearing on Oversight of Contract Management at the Centers for Medicare and Medicaid Services*, 111th Cong. (April 28, 2010); U.S. Senate Committee on Homeland Security and Governmental Affairs, Subcommittee on Contracting Oversight, Fact Sheet: New Information About the Medicare Secondary Payer Recovery Contractor (April 28, 2010).

² Subcommittee on Contracting Oversight, *Staff Interview of Chickasaw Nation Industries President Wendell Gilliam* (April 12, 2010).

³ Medivest, *Medivest Blog* (online at <http://www.medivest.com/wordpress/?p=407>) (accessed Sept. 29, 2011).

The Honorable Dr. Donald Berwick
October 6, 2011
Page 2

solicitation for the Medicare Secondary Payer Integration Contractor (MSPIC) was posted on the Federal Business Opportunities website on August 24, 2011.⁴

To better understand how you intend to ensure that these contracts are as efficient and effective as possible, I request a briefing regarding your plans for the MSPRC contract, including the factors considered in any decision not to renew the contract with CNI and the extent to which you plan to use competition for a new contract.

The jurisdiction of the Subcommittee on Contracting Oversight is set forth in Senate Rule XXV clause 1(k); Senate Resolution 445 section 101 (108th Congress); and Senate Resolution 73 (111th Congress). An attachment to this letter provides additional information about how to respond to the Subcommittee's request.

Please have your staff contact Margaret Daum with the Subcommittee staff at (202) 224-4462 with any questions. Please send any official correspondence related to this request to [Kelsey Stroud@hsgac.senate.gov](mailto:Kelsey_Stroud@hsgac.senate.gov).

Sincerely,



Claire McCaskill
Chairman
Subcommittee on Contracting Oversight

cc: Rob Portman
Ranking Member
Subcommittee on Contracting Oversight

⁴ Federal Business Opportunities, Solicitation for Medicare Secondary Payer Integration Contractor (MSPIC) (online at https://www.fbo.gov/?s=opportunity&mode=form&id=e182c5a97d655ce94d30388fb594b597&tab=core&_cview=0) (accessed Sept. 29, 2011).