November 2014

Contractor Advisory Committee (CAC) 101

The Centers for Medicare & Medicaid Services (CMS) contracts with insurance carriers known as Medicare Administrative Contractors (MACs) to administer the Medicare program in assigned jurisdictions. In addition to processing and paying claims, the MAC's scope of work includes establishing Local Coverage Determinations (LCDs) for certain services when there is no established national policy. While the Contractor Medical Director (CMD) makes all final determinations, s/he does receive input from a variety of sources including the **Contractor Advisory Committee (CAC).**

What exactly is a CAC?

MACs must form CACs for each state under within its jurisdiction. States with multiple MACs establish joint CACs. CAC representatives provide CMDs with specialty-specific input and comments on certain **LCDs.**

Defined by the CMS Program Integrity Manual, section 13.8.1.1, the purpose of the CAC is to provide:

- *A formal mechanism for physicians in the State to be informed of and participate in the development of an LCD in an advisory capacity;*
- *A mechanism to discuss and improve administrative policies that are within carrier discretion; and*
- *A forum for information exchange between carriers and physicians.*

CAC representatives **advise** CMDs on certain draft LCDs; CMDs make all ultimate decisions.

What is an LCD?

LCDs are defined in Section 1869(f)(2)(B) of the Social Security Act (the Act). The Act states:

> *"For purposes of this section, the term 'local coverage determination' means a determination by a fiscal intermediary or a carrier under part A or part B, as applicable, respecting whether or not a particular item or service is covered on an intermediary- or carrier-wide basis under such parts, in accordance with section 1862(a)(1)(A)."*

Prior to 2006, Fiscal Intermediaries (FIs) handled Medicare Part A claims and Carriers were responsible for Medicare Part B claims. Currently, MACs process claims for both Part A and Part B.

LCDs define the conditions that must be present in order for a specific procedure/service to be covered. At the beginning of the policy making process, CMDs release draft LCDs with a 45-day minimum comment period. During that time, CMDs may receive input from CAC members, impacted physicians/specialty societies as well as other interested stakeholders.

You may search for all current, retired and present, past, drafts of potential future e LCDs with the Medicare Coverage Database on the CMS website. A step-by-step tutorial on how to use the Medicare Coverage Database, is offered at

http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/downloads/medicarecvrgedatabase_icn901346.pdf

Who is represented on the CAC?

Each specialty has one member and a designated alternate (with approval of committee co-chairs). CAC members are usually physicians, beneficiary representatives or representatives of other medical organizations. ASA ensures that there is solid representation for the anesthesia and pain seats.

The CAC is co-chaired by the jurisdiction's CMD and a physician selected from the Committee. Co-chairs craft meeting agendas and present proposed LCDs to the CAC for discussion. MACs generally work with all specialty societies to find a convenient meeting location.

Get to know our CAC Representatives

ASA's Payment and Practice Management Department interviewed anesthesia CAC representatives from different states and jurisdictions so that ASA members can get a better idea about how CAC representatives fulfill this important role.

Jay Mesrobian, M.D.
Wisconsin CAC Representative

How long have you been serving on the CAC?
I have been serving on the CAC for one year.

What was your experience like for the first year?
Serving on the CAC requires you climb a quick and steep learning curve. You need to get familiar with the history and policies of the company overseeing coverage determinations for your district, understand the processes for reviewing and assessing LCDs, and perhaps most importantly, build a relationship with the medical director. There is no cookbook approach and there is significant variability in how both CAC reps. and medical directors approach their responsibilities. Fortunately, I have gotten good advice from other more experienced CAC representatives.

What has been the most rewarding experience so far?
Upon taking this position, we immediately started to address policies related to both Interventional Pain Medicine and Transesophageal Echocardiography. Working with the medical director and fellow CAC representatives to amend or develop a sound, responsible policy is an ongoing challenge, but a rewarding one.

Why did you want to join you state's CAC?
Few anesthesiologists realize the critical importance of strong and responsible CAC representation. Anesthesiologists need to maintain visible and active roles at and, more importantly in between, the CAC meetings. It is a unique opportunity to advocate for patients and anesthesiologists.

Kenneth Stone, M.D.
Connecticut CAC Representative

How long have you been serving on the CAC?
I have served as the anesthesia representative to the CAC in Connecticut for about 15 years.

Why did you join your state's CAC?
This was my first opportunity to get involved in a leadership role within the state society and has led me to become more active in both my state society and the ASA.

Why is it important to be involved?
The CAC only addresses Medicare but the influence of Medicare decisions carries weight for many other payers. Although most matters discussed at the CAC meetings do not directly impact our specialty, it is worthwhile to attend and make contact with the Contractor Medical Director.

How much time do you spend on CAC related work?
The time commitment is minimal: I attend three dinner meetings each year. If I can't attend then the alternate takes my place.

Peter Dunbar, M.D.
Washington CAC Representative

How long have you been serving on the CAC?
I have been serving as the anesthesia representative to my state's CAC for about 5 years.

Other than CAC representatives, who usually attends meetings?
The room is occupied with CAC members as well as non-CAC members. Individuals who are directly affected by a certain policy are at the meeting. This includes individuals from the biotech industry as well as pharmaceutical company representatives.

Why do think others should join the CAC?
If you are concerned about government payment matters, then I recommend that you join your state's CAC. Being a CAC representative, you experience a much deeper understanding of how policy development works. If you are unable to serve on the CAC yourself, you should encourage members of your practice or state component society to join.

How much time do you spend on CAC related work?
I spend at least 8 hours a year at CAC meetings. Meetings are two hours long and are face-to-face; however CAC members have the option to call-in as well.

If you need information on CAC representation in your state, please contact your state component society or Samia Ayoobi, ASA's Payment and Practice Management Specialist (s.ayoobi@asahq.org).

Test your knowledge: true or false?

Only CAC members may comment on draft LCDs.

False. Anyone who is interested may comment on draft LCDs within the given timeframe.

CAC representatives assist CMDs with crafting draft LCDs.

False. CMDs are the only ones who prepare draft LCDs. CAC representatives advise CMDs on matters related to their specialty.

Each state has their OWN CAC.

True. By law, each state is required to create and run its own CAC.

References

1. www.cms.gov
2. Merrick, S. (2014). Local Coverage Determinations: Where They Come From and Why They Matter. *ASA NEWSLETTER, 77*(9), 60-61.