

---

# Program Memorandum Intermediaries/Carriers

---

Department of Health &  
Human Services (DHHS)  
Centers for Medicare &  
Medicaid Services (CMS)

Transmittal AB-02-176

Date: DECEMBER 20, 2002

---

This Program Memorandum re-issues Program Memorandum AB-01-88, Change Request 1696, dated June 27, 2001. The only change is the discard date; all other material remains the same.

## CHANGE REQUEST 1696

### **SUBJECT: Prior Approval Requirement for Data Center and Front End Movement**

The previous moratorium (Program Memorandum (PM) AB-00-07, Change Request 1089, dated February, 2000) on data center movement, has expired. Any intermediary/carrier that wishes to change data centers or front ends must submit a written request to CMS for prior approval. For the purposes of this PM, a data center is defined as a computer center that provides support to and/or runs the standard system (FISS, APASS, MCS, UHC, GTEMS, VIPS) that the contractor uses to process Medicare claims. A front end is defined as the center that directly receives electronic claims intake from submitters. The prior approval requirement includes requests to transition data center or front end work in-house.

This prior approval requirement is being issued because of the budget implications of any such move. Our business plan goal is to, over time, consolidate the number of data centers and to establish greater control of data centers.

A preliminary request should be submitted at the earliest practical date to the appropriate CMS Contractor Consortium Manager with a copy to Gary Kavanagh, Director OIS/BSOG, N2-13-16, Baltimore, Md. 21244.

After the preliminary request, we will discuss with the contractor additional supporting material that will be required in order for us to reach a decision to approve or deny any such movement. While we will consider the specific needs of the individual contract, we will also be examining the request in terms of the overall cost to Medicare, our strategic direction to consolidate data centers and to establish more control over the data centers.

***The effective date for this PM is June 27, 2001***

***The implementation date for this PM is June 27, 2001.***

**These instructions should be implemented within your current operating budget.**

***This PM may be discarded after January 1, 2004.***

**If you have any questions, contact John Zurad at [jjzurad@cms.hhs.gov](mailto:jjzurad@cms.hhs.gov).**

**CMS-Pub. 60AB**