



Northrop Grumman Wins Next Generation Contract for Fraud Solutions at CMS

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MCLEAN, Va., May 3, 2016 (GLOBE NEWSWIRE) -- Northrop Grumman Corporation (NYSE:NOC) has been awarded a \$91.6m contract by the Centers for Medicare and Medicaid Services (CMS) to provide both technical and business expertise to identify and prevent fraud, waste and abuse of the Medicare trust fund.

This award is a base year contract with four option years. The contract is for the Fraud Prevention System 2.0 (FPS 2.0) which was a recomplete of FPS 1.0. With the FPS 1.0 contract, Northrop Grumman and CMS successfully deployed a robust system within 60 days that processed over 4 million claims daily. The Fraud Prevention System is the primary tool for identifying potential fraud, waste and abuse at CMS' Center for Program Integrity with a specific focus on predictive analytics to identify leads of potentially fraudulent providers, claim editing algorithms to reject or deny claims, and business intelligence.

"This award demonstrates our continued collaborative partnership in fraud solutions and strong program performance of more than 20 years with our CMS customer," said Amy Caro, vice president, health solutions, Northrop Grumman Technology Services. "As the incumbent contractor on FPS 1.0 and a domain expert in this arena, Northrop Grumman is confident that, through the implementation of the FPS 2.0 solution, CMS will continue to achieve high returns on its investment in combatting fraud."

The FPS program includes data ingestion, data preparation, and execution of edits and models to deny or reject claims that do not conform to Medicare policy and assign providers a risk score to prioritize investigations. This program also provides an investigative user interface that allows program integrity contractors and law enforcement to view evidence, track investigations, and perform rulings. Northrop Grumman is leading a team including Truven Health Analytics, CGS Administrators, Waypoint, Hewlett-Packard, Softrams, All Points, and Analytica.

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