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Maximus Challenges Early Rebid of 1-800-MEDICARE Contract to U.S. Court of Federal Claims

Lawsuit pursues fair resolution of early rebid contingent on adding unnecessary labor harmony agreement

Despite baseless rebid effort, CMS exercises next contract option yearrecognizing Maximus for high-quality service

Throughout historic hurricanes, Maximus continued to operate state and federal programs without disruption

TYSONS, Va.--(BUSINESS WIRE)-- Maximus (NYSE: MMS), a leading employer and provider of government services worldwide, announced they have filed suit in the U.S. Court of Federal Claims challenging the baseless and unlawful rebid of the U.S. Department of Health and Human Services Contact Center Operations (CCO) 1-800-MEDICARE and Federal Marketplace contract. Despite providing high-quality customer service, exceeding every performance metric, and delivering uninterrupted service even during two hurricanes, CMS is taking the unnecessary step of rebidding the contract only two years into the nine-year term with a requirement for a labor harmony agreement (LHA). This unprecedented move is illegal and improper pursuant to established law, regulation, and procurement policy, and may jeopardize future seamless service to the 75 million Americans with Medicare and accessing health insurance through the Federal Marketplace all while increasing cost to taxpayers.

The lawsuit follows the Government Accountability Office (GAO)'s ruling in September 2024 that partially sustained Maximus' pre-award protest, requiring HHS to redraft the labor harmony requirement. We believe there is merit to contesting HHS's procurement authority as it violates federal contracting laws.

"The government has clearly overstepped its authority and is unlawfully using the competitive bidding process to force their policy agenda on workers and employers," said Eileen Cassidy Rivera, Vice President for Public Relations, Maximus. "Maximus is a pro-employee company, offering competitive pay and benefits that have led to more than 80 percent of our workforce stating in independent surveys they enjoy working for our company."

CMS recently exercised the current contract's third option year through September 2025, recognizing Maximus' ability to deliver uninterrupted, high-quality service as the rebid's procurement process extends beyond the originally intended timeline. Maximus' high-quality service under the CCO contract has led to a 95 percent customer satisfaction rating over the past five years.

As an example, during the recent, historically damaging hurricanes in Florida and the

southern U.S., Maximus' business continuity plans ensured that federal and state programs continued to operate with no disruption. Many company employees in the region faced personal challenges due to these natural disasters and Maximus responded by protecting pay for impacted staff and temporarily closing contact centers in the direct path of the storm.

Despite this reduction in staffing, Maximus maintained the expected service levels throughout the crisis. From an HHS and caller perspective, service remained uninterrupted, and Maximus fielded over 190,000 calls with no impact to call wait times.

"Through every challenge, Maximus employees have stepped up to ensure Americans can access essential health care services without disruption," added Rivera. "CMS recognized our ability to perform when they awarded us this contract initially and again by recently extending the contract for another year. Yet, at the same time, the Department is pursuing a re-procurement that causes great uncertainty for the contact center employees they rely upon. This unprecedented decision is unnecessary, improper, and as our lawsuit highlights, violates established law."

About Maximus

As a leading strategic partner to governments across the globe, Maximus helps improve the delivery of public services amid complex technology, health, economic, environmental, and social challenges. With a deep understanding of program service delivery, acute insights that achieve operational excellence, and an extensive awareness of the needs of the people being served, our employees advance the critical missions of our partners. Maximus delivers innovative business process management, impactful consulting services, and technology solutions that provide improved outcomes for the public and higher levels of productivity and efficiency of government-sponsored programs. For more information, visit maximus.com.

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