

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Center for Medicare
7500 Security Boulevard, Mail Stop C1-13-07
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MEDICARE PLAN PAYMENT GROUP

DATE: April 28, 2011

TO: All Medicare Advantage Organizations, Prescription Drug Plans, Cost Plans, PACE Organizations and Demonstrations

FROM: Cheri Rice /s/
Director

SUBJECT: Medicare Advantage Prescription Drug System (MARx) May 2011 Payment – INFORMATION

This letter provides information regarding the May payment, scheduled for receipt on April 29, 2011, and other payment related items that may require plan action.

Plan Payment Report Update in July

As previously reported, effective with the January payment the Part D risk adjustment model was updated to consider ESRD status. With this change it is possible to receive Part D direct subsidy dollars associated with an ESRD status change adjustment. The direct subsidy dollars appear correctly on the Monthly Membership Report (MMR) but the Plan Payment Report (PPR) does not recognize the direct subsidy dollars associated with an Adjustment Reason Code (ARC) 08 – ESRD status change. Beginning with the July PPR the adjustments will be appropriately displayed in the “Capitated Payments” section of the report. In the interim, the May and June Part D direct subsidy dollars associated with ARC 08 will continue to be paid as a contract level adjustment in the “CMS Adjustment” section.

Enrollment Cleanups with Greater Than 36-month Payment Adjustments

Between January and March 2011 several enrollment clean ups were processed to correct data that sometimes went back to enrollment periods beyond 36 months. The resulting payment adjustments beyond the 36 month limitation were to be filtered out of the actual monthly plan payments. However the adjustments were erroneously processed through to plan payment. These erroneous payment adjustments will be corrected in the June payment.

Change in Plan Data Due Date in May

The due date for transactions to be submitted for June payment (plan data due date) has been changed from May 6 to May 13. This is to allow more time for plans to submit transactions once the system is available again after the implementation of the new MARx software. The monthly reports will be available on May 23.

Interim Process to Assign Existing Plan Users to the New MARx Update Role

The MARx R&M Project has created a new online function for plan users. The MARx R&M User Interface (UI) Handbook defines the new function and plan user role, as well as providing guidelines and instructions for establishing plan users as the new MCO Representative UI Update. Plan personnel who are registering for a CMS user ID for the first time in the Individuals Authorized Access to the CMS Computer Services (IACS) system should follow the handbook instructions as written. However, plan users who have an existing CMS user ID must be added to the new role manually until the IACS system is updated later this year. Please contact the MAPD Help Desk MAPDHelp@CMS.HHS.GOV or your DPO Representative for the instructions needed to assign an existing plan user to this new role.

Please contact the appropriate Division of Payment Operations (DPO) Representative (list attached) with questions about information in this letter or assistance with other payment or premium related issues. Thank you.

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