

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Center for Medicare
7500 Security Boulevard, Mail Stop C1-13-07
Baltimore, Maryland 21244-1850



MEDICARE PLAN PAYMENT GROUP

DATE: August 21, 2013

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) September 2013 Payment – INFORMATION

This letter provides information about the September payment, which is scheduled for receipt on August 30, 2013, and other payment related items that may require plan action.

Fiscal Year (FY) 2013 User Fees

September is the last month to collect the FY 2013 user fees. The percentages for the National Medicare Education Campaign user fees are estimates based on expected enrollment throughout the year. The rate percentages are adjusted in September to ensure CMS collects the total user fee amount required by law. For September 2013, the MA-PD rate increased from .045% to .063% in order to collect the required \$54 million, and the PDP rate increased from .043% to .201% in order to collect the required \$18.3 million. The COB user fee amount of \$.13 per Part D member did not change for September.

2006 Part D Reopening for PACE Plans

The September payment includes the results of the re-opening of the 2006 Part D Reconciliation for PACE plans. The adjustment amounts appear on the Plan Payment Report with an adjustment type of "PRS".

Medicare Secondary Payer Cleanup

CMS performed a clean-up to correct payments for a small population of beneficiaries. These beneficiaries had other insurance primary to Medicare, so their payments should have been reduced. Plans will see the adjustments on their September 2013 Monthly Membership Report under adjustment reason code 094 (Special Payment Adjustment Due to Clean-up).

Cleanup to Collect Overpaid Late Enrollment Penalty (LEP) Refunds

On July 21, 2013, CMS processed a data clean-up to collect overpaid LEP refunds made for direct-bill beneficiaries in the April 2012 payment. Plans will see these collections on their September LIS/LEP reports.

Please contact the appropriate DPO Representative (list attached) if you have any questions about the information in this letter or need assistance with other payment or premium related issues. Thank you.

cc: DPO Representatives
Director, DPO
MAPD Customer Support

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