

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard  
Baltimore, Maryland 21244-1850



**CENTERS FOR MEDICARE & MEDICAID SERVICES**

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**DATE:** April 14, 2023

**TO:** Medicare-Medicaid Plans

**FROM:** Lindsay P. Barnette  
Director, Models, Demonstrations and Analysis Group  
Medicare-Medicaid Coordination Office

**SUBJECT:** CMS Update on CY 2021 Medicare Quality Withhold Repayment for Medicare-Medicaid Plans

This memorandum provides Medicare-Medicaid Plans (MMPs) operating in Illinois, Massachusetts, Michigan, New York FIDA IDD, Ohio, Rhode Island, South Carolina, and Texas under the Medicare-Medicaid Financial Alignment Initiative with an update regarding repayment of the Medicare portion of the Calendar Year (CY) 2021 quality withhold.

For currently active MMPs, the Medicare portion of the CY 2021 quality withhold will be paid as part of the May 2023 capitation payment cycle. In addition, for the Texas and New York FIDA IDD MMP, CMS withheld the incorrect quality withhold percentage for prior CY 2021 Medicare A/B payments; with the repayment of the CY 2021 quality withhold, CMS has corrected that error.

These payments will appear on the Plan Payment Report (PPR) on the “Special Adjustment” page with Adjustment Type “QWP.”

Please contact the Medicare-Medicaid Coordination Office at [mmcocapsmodel@cms.hhs.gov](mailto:mmcocapsmodel@cms.hhs.gov) if you have any questions.