

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



CENTER FOR MEDICARE

DATE: August 29, 2024

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

FROM: Jennifer R. Shapiro, Director, Medicare Plan Payment Group

SUBJECT: Medicare Advantage/Prescription Drug System (MARx)
September 2024 Payment – INFORMATION

This letter provides information about the September 2024 Medicare Advantage/Prescription Drug payment, which is scheduled for receipt on August 30, 2024, and other payment related items that may require plan action.

2017 Risk Adjustment Reconciliation Rerun

Included in the September 2024 payment are payment adjustments from a risk adjustment reconciliation rerun for payment year (PY) 2017. These adjustments are the result of risk scores that have been updated to reflect data corrections related to updates made to the MAO-004 reports, and Risk Adjustment Processing System (RAPS) edits, and the rounding fix that was discussed in the “Risk Adjustment for EDS & RAPS User Group” on August 15, 2019.

National Medicare Education Campaign (NMEC) / Coordination of Benefits (COB) Final Adjustment on User Fees for 2024

Per section 1857(e)(2) of the Social Security Act, plans will be charged cost-sharing for enrollment-related costs (the NMEC fee). For the September payment only, in order to finish collecting the required MA-PD National Medicare Education Campaign (NMEC) user fee of \$102.2M and the PDP NMEC user fee of \$8.5M in FY 2024, the collection percentages changed for the September 2024 payment. The percentage used for the MA-PD NMEC was increased from 0.024% to 0.027%, and the percentage used for the PDP NMEC was raised from 0.024% to 0.032%. The monthly Coordination of Benefits (COB) user fee rate remains the same at \$0.0833 cents per Part D member.

End Stage Renal Disease (ESRD) Payment Adjustments Cleanup

CMS has identified a MARx software issue beginning with the September 2023 payment in which MARx calculated unintended payment adjustments using non-dialysis or non-post graft status for time periods when the beneficiary did have dialysis or post graft status. The software issue has been corrected and a data cleanup has been processed to correct the payments. The payment adjustments will appear in the September 2024 MMR with Adjustment Reason Code (ARC) 94 (Adjustment Due to Cleanup) and Cleanup ID CS1831864.

Conversion of MARx to Amazon Web Services (AWS)

In July 2023 the MARx system successfully cut over from its mainframe-based architecture and currently is processing enrollment, premium, and payment information in a newly designed AWS cloud-based environment. Although the conversion was a success, we are aware of discrepancies that are affecting payment or reporting. This includes, for example, instances where MARx calculated payment using incorrect Part C and Part D risk scores. CMS is actively working to address these issues in future software fixes and data cleanups, prioritizing based on the nature of the cleanup and the impact and will communicate with plans as we work through the cleanups. If you have already submitted a trouble ticket, no further action is required by the plan. If you have been informed by the help desk that your ticket has been consolidated under a “master ticket,” that means we are aware of an issue or concern affecting multiple organizations. Knowing how many organizations are reporting the same problem under the master ticket allows us to assess the scale of the problem and helps us prioritize the fix to the issue. Questions regarding the MARx system can be sent to mapdhelp@cms.hhs.gov.

Sequestration Suspension

While the suspension of sequestration has ended, as required by the statute, we continue to apply the suspension of sequestration for retroactive payment adjustments made for the months of May 2020 through March 2022 and will sequester 1 percent of retroactive payment adjustments made for the months of April 2022 through June 2022 and 2 percent of payments and adjustments for months beginning with July 2022.

Questions or concerns about any of the information within this letter should be directed to the MAPD Help Desk at mapdhelp@cms.hhs.gov, or 1-800-927-8069.