

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



**CENTER FOR MEDICARE**

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**DATE:** February 28, 2023

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

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

**SUBJECT:** Medicare Advantage/Prescription Drug System (MARx) March 2023 Payment – INFORMATION

This letter provides information about the March 2023 Medicare Advantage/Prescription Drug payment, which is scheduled for receipt on March 01, 2023.

**Reopening of the 2017 Final Part D Payment Reconciliation**

CMS has completed the calculations for the reopening of the 2017 Final Part D Payment Reconciliation and the results are included in the March 2023 payment. They appear on the Plan Payment Report (PPR) as a special adjustment type “PRS.”

**Coverage Gap Discount (CGD) Invoice Offsets**

The 2022 CGD invoice offsets are included in the March 2023 payment. They appear in separate lines on the Plan Payment Report (PPR) with an adjustment type code “CGD.”

**No Payment Calculated for January and February 2023**

A processing error caused MARx to calculate no payments for January and February for some plan-submitted rollover enrollments with a start date of January 2023 submitted between 10/04/2022 and 10/07/2022. To address this error, CMS developed two data fixes for MARx. The first created January 2023 payment adjustments for some of the affected enrollments and payment adjustments appeared on the February 2023 Monthly Membership Report (MMR) with Adjustment Reason Code (ARC) 02 (Retroactive Enrollment). The second fix will include all remaining payment adjustments for January and the adjustments for February payments and will appear on the March 2023 MMR with ARC 02 (Retroactive Enrollment).

**Sequestration Data Cleanup and Payment Adjustments for 2020 – 2023 for Part B Premium Reduction**

In the February Plan Payment letter, distributed on 01/31/2023, CMS stated that in February 2023 it would begin populating Part B Premium Reduction amounts in MMR fields 59 and 60 for all beneficiaries and plans.

As part of the process to populate these fields for all beneficiaries, CMS discovered that, between January 2020 and January 2023, sequestration was only applied to the Part B Premium Reduction amounts that were populated to the MMR during that time period: for beneficiaries in an ESRD status or who were enrolled in an Employer Group Waiver Plan (EGWP). For all other beneficiaries and plan types, this resulted in an overpayment since the applicable sequestration was calculated without taking into account the Part B Premium Reduction amounts. CMS processed a data cleanup and will apply any appropriate sequestration reductions for Part B Premium Reduction amounts for non-ESRD beneficiaries in non-EGWP plans between January 2020 and January 2023. Specifically, we will apply sequestration for any payment months processed between January 2020 and January 2023, using the applicable sequestration percentages for the respective payment months. The payment adjustments will appear on the Plan Payment Report (PPR) as Special CMS Adjustments with the TYPE “SEQ.”

### **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](mailto:mapdhelp@cms.hhs.gov), or 1-800-927-8069.