

DEPARTMENT OF HEALTH & HUMAN
SERVICES
Centers for Medicare & Medicaid Services
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CENTER FOR MEDICARE

DATE: September 26, 2022

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) October 2022 Payment – INFORMATION

This letter provides information about the October 2022 Medicare Advantage/Prescription Drug payment, which is scheduled for receipt on September 30, 2022.

2015 Risk Adjustment Reconciliation Rerun

The 2015 risk adjustment reconciliation rerun adjustments are included in the October 2022 payment. The updated risk scores are based on data corrections related to updates made to the MAO-004 reports and the Risk Adjustment Processing System (RAPS), as well as a data refresh and correction to the filtering of FFS diagnoses. Also included in this rerun are adjustments related to closed-period deletes in RAPS (i.e., diagnoses deleted after the deadline for final reconciliation payments) with dates of service from January 1, 2014 to December 31, 2014, submitted through July 14, 2022. For more information, please refer to the HPMS memos dated May 25, 2022 and June 24, 2022. The payment adjustments will appear on the October 2022 Monthly Membership Report (MMR) with Adjustment Reason Code (ARC) 25 – Part C Risk Adjustment Factor Change/Recon, and ARC 37 – Part D Risk Adjustment Factor Change.

Coverage Gap Discount (CGD) Invoice Offsets

The CGD invoice offsets resume in the October 2022 payment. There are offsets for 2021 and 2022. They appear in separate lines on the Plan Payment Report (PPR) with an adjustment type code “CGD”.

Medical Loss Ratio (MLR) Remittances for 2020

For plans that are required to pay 2020 MLR remittances, these adjustments are included in the October 2022 payment. They appear in separate lines on the Plan Payment Report (PPR) with an adjustment type code “MLR.” For more information, please refer to the HPMS memo from Jennifer R. Shapiro dated 1/4/2022 titled “Medical Loss Ratio Data Form and Attestation Submission Reminder for Contract Year 2020.”

National Medicare Education Campaign (NMEC) / Coordination of Benefits (COB) Final Adjustment on User Fees for 2022

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 \$98.2M and the PDP NMEC user fee of \$11M in FY 2022, the collection percentages have changed for the September payment. The percentage used for the MA-PD NMEC was raised from 0.029% to 0.037%, and the percentage used for the PDP NMEC was raised from 0.030% to 0.052%. The monthly Coordination of Benefits (COB) user fee rate remains the same at \$0.1166 cents per Part D member.

Sequestration Suspension

The Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”), enacted on March 27, 2020, suspended the sequestration of Medicare programs between May 1, 2020, and December 31, 2020. The Consolidated Appropriations Act, 2021, enacted December 27, 2020, extended this suspension for three more months, through March 31, 2021. H.R. 1868, enacted on April 14, 2021 further extended the suspension through December 31, 2021. Finally, the Protecting Medicare and American Farmers from Sequester Cuts Act, enacted on December 10, 2021, extended the suspension through March 31, 2022.

Based on the current statute, sequestration will continue to be suspended for retroactive payment adjustments made to payments for the months of May 2020 through March 2022. CMS has resumed sequestration reductions, in accordance with the revised amounts specified in the Protecting Medicare and American Farmers from Sequestration Cuts Act, beginning with April 2022 payment for Medicare Advantage, Programs of All-Inclusive Care for the Elderly, Medicare-Medicaid Plans, section 1876 and 1833 cost-based Managed Care Organizations, and Part D. Specifically, CMS is sequestering 1 percent of prospective payments and adjustments for months April 2022 through June 2022 and 2 percent for months beginning with July 2022.

Changes to MARx Plan Transaction Processing

Batch Input Transaction Data File Name

As announced in the May 2019 Detailed Release Memo, issued through the Health Plan Management System (HPMS) on 04/11/2019, CMS installed changes so that the Enterprise Identity Management (EIDM) User ID is used when sending the Batch Input Transaction Data File to MARx. For the Batch Input Transaction Data File to process successfully, and to receive a Batch Completion Summary Report (BCSS), plans should not submit files with the same date and time in the file name. This will cause a MARx system error and prevent the system from generating the BCSS.

Extension of the Transition Period for Submitting MARx Batch Input Header Record

CMS has extended the transition to December 2022, for plan submitters to use both the old and new MARx Batch Input Detail submission files.

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.