

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



CENTER FOR MEDICARE

DATE: June 28, 2019

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

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

SUBJECT: Medicare Advantage/Prescription Drug System (MARx) July 2019 Payment – INFORMATION

This letter provides information about the July 2019 Medicare Advantage/Prescription Drug payment, which is scheduled for receipt on July 1, 2019.

Coverage Gap Discount Payment Discrepancies

The June 2019 payment contained Part D payment processing errors related to the Coverage Gap Discount (CGD). The payment errors were reflected in data fields within the Monthly Membership Report (MMR), Monthly Membership Summary, and Plan Payment Report (PPR). The June prospective payments did not include a CGD amount for non-LIS beneficiaries as they should have, and there were also incorrect retroactive adjustments made. Because the CGD adjustments occurred along with the update to the mid-year risk scores, the incorrect retroactive payment adjustments were reflected on the reports using the adjustment reason code (ARC) 41 (Part D RA Factor Change, ongoing, mid-year). CGD payment adjustments went back as far as January 2019.

As a result of this processing error, a software fix was installed and a data cleanup was processed prior to the July 2019 payment cutoff (June 7, 2019). The CGD data was reprocessed and calculated correctly for the July 2019 payment.

In the June 2019 payment, CMS compensated for the incorrect CGD payment adjustments by crediting two (2) special adjustments to all affected plans' payment: one for the missing prospective CGD payment, and one adjusting the retroactive CGD recoupment.

In the July 2019 payment, CMS will offset the special June adjustments with two (2) special adjustments to all affected plans' payment: one to offset the June special payment for the missing prospective June CGD payment, and one to offset the June special payment that adjusted the retroactive CGD recoupment. The details regarding these special adjustments in the Special Adjustment Section of the Plan Payment Report using Source "CGD."

Plans will see the payment corrections in the following areas of MARx:

MMR Data File:

- The CGD payment adjustments for January through May 2019 will appear on the July 2019 Monthly Membership Report (MMR) using ARC 41 (Part D RA Factor Change, ongoing, mid-year) with the Clean-Up Identifier of CS264366. This is not a risk adjustment-related payment adjustment, but ARC 41 is being used to connect to the payment adjustments made in the June 2019 payment.
- The CGD payment adjustments for June 2019 will appear on the July 2019 Monthly Membership Report (MMR) using ARC 94 (Adjustment due to cleanup activity) with the Clean-Up Identifier of CS264366.
- In addition to the CGD adjustments, a small number of other Part C and Part D payment adjustments, outside of the CGD error, were processed in this data cleanup. These adjustments will appear on the July 2019 Monthly Membership Report (MMR) using ARC 94 (Adjustment due to cleanup activity) with the Clean-Up Identifier of CS264366.

Monthly Membership Summary Report:

- ARC 41 (Part D RA Factor Change, ongoing, mid-year) may contain an adjusted dollar amount for non-Low Income beneficiaries, due to the netting out of the erroneous CGD adjustment.
- ARC 94 for June CGD adjustments and a small number of other adjustments.

Plan Payment Report:

- ARC 41 (Part D RA Factor Change, ongoing, mid-year) may contain an increased adjusted dollar amount for non-Low Income beneficiaries due to the netting out of the CGD adjustment
- Details regarding the special adjustments will be found in the Special Adjustment Section of the Plan Payment Report using Source “CGD.”

MARx UI:

End users of MARx will view data as displayed below (in the Payment tab).

Adjustments - 94-ADJUSTMENT DUE TO CLEANUP ACTIVITY										
Payment Date	Type	Description	Adjustment Code	Payment/Adjustments				Paid for Month	Paid Flag	Cleanup ID
				Part A	Part B	Part D	Total			
07/01/2019	ADJUSTMENT	PART D COVERAGE GAP DISCOUNT	94-ADJUSTMENT DUE TO CLEANUP ACTIVITY	\$0.00	\$0.00	\$34.93	\$34.93	06/01/2019	Y	CS264366
* 07/01/2019	ADJUSTMENT	TOTAL	94-ADJUSTMENT DUE TO CLEANUP ACTIVITY	\$0.00	\$0.00	\$34.93	\$34.93	06/01/2019	Y	CS264366

Adjustments - 41-PART D RISK ADJUSTER FACTOR CHANGE / ONGOING											
Payment Date	Type	Description	Adjustment Code	Payment/Adjustments				Paid for Month	Paid Flag	Cleanup ID	
				Part A	Part B	Part D	Total				
07/01/2019	ADJUSTMENT	PART D COVERAGE GAP DISCOUNT	41-PART D RISK ADJUSTER FACTOR CHANGE / ONGOING	\$0.00	\$0.00	\$10.56	\$10.56	02/01/2019	Y	CS264366	
* 07/01/2019	ADJUSTMENT	TOTAL	41-PART D RISK ADJUSTER FACTOR CHANGE / ONGOING	\$0.00	\$0.00	\$10.56	\$10.56	02/01/2019	Y	CS264366	
07/01/2019	ADJUSTMENT	PART D COVERAGE GAP DISCOUNT	41-PART D RISK ADJUSTER FACTOR CHANGE / ONGOING	\$0.00	\$0.00	\$10.56	\$10.56	01/01/2019	Y	CS264366	
* 07/01/2019	ADJUSTMENT	TOTAL	41-PART D RISK ADJUSTER FACTOR CHANGE / ONGOING	\$0.00	\$0.00	\$10.56	\$10.56	01/01/2019	Y	CS264366	

Adjustments - 94-ADJUSTMENT DUE TO CLEANUP ACTIVITY											
Payment Date	Type	Description	Adjustment Code	Payment/Adjustments				Paid for Month	Paid Flag	Cleanup ID	
				Part A	Part B	Part D	Total				
07/01/2019	ADJUSTMENT COMPONENT	PART D RISK ADJUSTED RATE (DIRECT SUBSIDY)	94-ADJUSTMENT DUE TO CLEANUP ACTIVITY	\$0.00	\$0.00	\$75.70	\$75.70	06/01/2019	-	CS264366	
07/01/2019	ADJUSTMENT	PART D DIRECT SUBSIDY	94-ADJUSTMENT DUE TO CLEANUP ACTIVITY	\$0.00	\$0.00	\$20.14	\$20.14	06/01/2019	Y	CS264366	
07/01/2019	ADJUSTMENT	PART D COST SHARING	94-ADJUSTMENT DUE TO CLEANUP ACTIVITY	\$0.00	\$0.00	\$136.34	\$136.34	06/01/2019	Y	CS264366	
07/01/2019	ADJUSTMENT	PART D LIP	94-ADJUSTMENT DUE TO CLEANUP ACTIVITY	\$0.00	\$0.00	\$9.30	\$9.30	06/01/2019	Y	CS264366	
* 07/01/2019	ADJUSTMENT	TOTAL	94-ADJUSTMENT DUE TO CLEANUP ACTIVITY	\$0.00	\$0.00	\$165.78	\$165.78	06/01/2019	Y	CS264366	

Correction of Payment Adjustments for 2016

A MARx data clean-up was conducted to correct erroneous Part C and Part D payment adjustments that occurred at the end of 2016. These errors occurred while processing a prior data cleanup to correct missing payments for October 2016. The payment adjustments will appear on the July 2019 Monthly Membership Report (MMR) using ARC 94 (Adjustment due to cleanup activity) with the Clean-Up Identifier of CS7033.

Correction of Payments for Multiple Years

A MARx data clean-up was conducted to correct a small number of erroneous Part C and Part D payments that occurred from 2012-2019. These errors were caused by a MARx database contention. The payment adjustments will appear on the July 2019 Monthly Membership Report (MMR) using ARC 94 (Adjustment due to cleanup activity) with the Clean-Up Identifier of CS200628.

Second Initial Enrollment Period (IEP) Reset – Transaction Reply Code (TRC) 290

A MARx data cleanup was conducted in February 2019 involving missing data involving second Initial Enrollment Period (IEP) Number of Uncovered Months (NUNCMO) resets. The data cleanup corrected resets back as far as 2006. Plans affected for when the reset should have occurred have received Transaction Reply Code (TRC) 290 (IEP NUNCMO RESET) on the 2/12/19 Daily Transaction Reply Report (DTRR) with Cleanup ID CS2998.

However, not all plans affected received the TRC 290. CMS processed an additional data cleanup in June 2019 in order to send the TRC 290 to plans that had not received the TRC. Plans will receive the TRC 290 on the 02/25/2019 DTRR with Cleanup ID CS2998.

MAPD Help Desk: URGENT: TRC 253 - No Premiums Withheld

In January 2019, plans submitted Premium Payment Option (PPO) equal to “SSA” in order for their members to have premiums withheld from their Social Security benefits. These transactions were processed by the Medicare Advantage Prescription Drug (MARx) system yet were not processed by the Social Security Administration (SSA). This resulted in Part C and Part D premiums not withheld from members’ SSA benefit checks as well as CMS not making premium payments to Medicare Advantage Plans and Prescription Drug Sponsors.

Because of the scheduling and timing required for SSA to process premium transactions in its system, a two month lag period for CMS receiving SSA responses is built into the MARx premium logic, meaning, if SSA systems have not responded to MARx within the two month lag period, and no premiums have been collected by SSA and sent to CMS, MARx will automatically change the member’s PPO from SSA withhold to Direct Bill. In this circumstance, plans received a Transaction Reply Code (TRC) “253” defined as follows:

253	M	Changed to W/O CHG;NO Direct Bill; no Funds Withheld W/H	CMS has changed the PPO to “D-Direct Bill” because no funds have been withheld by the withholding agency in the two months since withholding was accepted. Plan Action: Update the Plan’s beneficiary records to reflect the direct bill payment method. Take the appropriate actions with member as per CMS enrollment guidance.
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In the case where a plan received a TRC 253, the plan may elect to prospectively submit a PPO change transaction code (TC) “75” to set the withholding to SSA going forward. Yet, for the period for which the member is set to Direct Bill, plans should follow CMS guidance to update their records and bill the member accordingly.

Plans that have a policy to disenroll members for failure to pay premiums are reminded that their grace period for premium payment, which must be no less than two full calendar months in length, cannot start until they have billed the member for the delinquent premium(s) and provided the member an opportunity to pay. Additionally, when requesting payment for past months, plans must offer a payment plan and allow the past due premiums to be paid over a period of time that is at least as long as the delay in billing. In doing so plans can avoid invoking their policy of disenrollment for failure to pay premiums while the member is adhering to the payment plan.

MAPD Help Desk: Important Notice Regarding End Stage Renal Disease (ESRD) Payment Cases

In an effort to expedite the processing of ESRD payment cases where an ESRD period is missing or incorrect, effective immediately, all plans will be required to call into the Quality Net Help Desk to open an ESRD trouble ticket. The MAPD Help Desk and the Division of Payment Operations (DPO) in the Medicare Plan Payment Group (MPPG) will no longer be taking calls or tickets relating to missing or incorrect periods that results in ESRD missing payments. Please note that this is ONLY for cases where an ESRD period is incorrect or missing, thereby causing incorrect payments. All other ESRD issues, including transplant cases, should still be reported to DPO through the MAPD Help Desk.

ESRD tickets already sent to the MAPD Help Desk have been evaluated by DPO and processed via the Center for Clinical Standards and Quality's (CCSQ) CrownWeb system. ESRD periods that were corrected will result in the calculation of proper payment adjustments and will be applied in an upcoming payment cycle. ESRD periods that were rejected will need the assistance of the CCSQ to perform additional follow up.

Going forward, plans are encouraged to contact the Quality Net Help Desk with new cases and follow up questions on previously closed ESRD tickets which may require additional help. Please direct all questions or concerns to the Quality Net Help Desk at 1-866-288-8912 or email at qnetsupport@sdps.org.

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.