



MEDICARE PLAN PAYMENT GROUP

DATE: March 28, 2008

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

FROM: Thomas Hutchinson /s/
Director

SUBJECT: Medicare Advantage Prescription Drug System (MARx) April 2008 Payment – INFORMATION

This letter provides information related to the April 2008 payment scheduled for April 1, 2008.

Miscellaneous Clean-ups Conducted

Several clean-ups involving small sub-populations of beneficiaries created payment adjustments that were included in the April payment. Some of the items were recouping monies paid for duplicate HIC#,s, resynching enrollments to payments, re-processing transaction reply code 165s (associated with improper rejections due to duplicate PBPs , auto-enrollments, correction transactions) and incorrectly rejected transaction codes 105 – effective date not valid for the IEP election type.

Clean-up of Beneficiaries Erroneously Receiving the Part B Premium Reduction

This clean-up involved some beneficiaries who were enrolled in plans that offered the benefit to reduce or eliminate the Part B premium. After these individuals left these plans, they still erroneously received this benefit on their social security checks. A file of the impacted beneficiaries was sent to the Social Security Administration (SSA) for them to update their records to stop the reduction. These cases involve 2006 and 2007; so there is the potential to cause severe economic impacts. SSA has sent out letters providing information on this action and offering the beneficiaries the option of requesting “forgiveness” of the debt or a payment plan. Beneficiaries must act within 30 days of the date of their letters or SSA will begin deducting the entire amount owed until it is repaid. This information is provided in case you receive inquiries.