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

**CENTER FOR MEDICARE**

**DATE:** November 12, 2025

**TO:** All Medicare Advantage Organizations, Cost Plans, PACE Organizations, and Demonstration Organizations

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

**SUBJECT:** Submission of Supplemental Benefits Data on Medicare Advantage Encounter Data Records – Reminders and Other Supplemental Service Updates

The purpose of this memorandum is to remind Medicare Advantage (MA) organizations of the requirements to submit supplemental benefits through the Medicare Advantage (MA) Encounter Data System (EDS) and to provide updates and clarifications on related reporting requirements. Specifically, this memorandum (1) summarizes key implementation lessons and best practices identified through CMS outreach to MA organizations; (2) provides updates to Supplemental Benefit Services Category (SBSC) codes for contract year (CY) 2026; and (3) clarifies expectations and reporting procedures for certain supplemental benefit scenarios, including returns of items purchased with pre-funded cards, Value-Based Insurance Design (VBID) and Special Supplemental Benefits for the Chronically Ill (SSBCI) benefits, extensions of Medicare-covered services, and supplemental dental services.

Please direct any questions regarding the information included in this memorandum to RiskAdjustmentOperations@cms.hhs.gov and specify "Supplemental Benefits Submission – November 2025 Memorandum" in the subject line.

## Submission of Supplemental Benefits Data

On February 21, 2024, CMS published a memorandum[1] titled, "Submission of Supplemental Benefits Data on Medicare Advantage Encounter Data Records," reminding MA organizations that the requirements and authorities codified at 42 CFR § 422.310 for data submission apply not only to Medicare Part A and B covered items and services but also extend to supplemental benefits offered by MA organizations. In that memorandum and associated technical instructions released in February 2024 titled *Medicare Advantage General Supplemental Services Submission Guide*, CMS provided MA organizations with both general reporting principles and specific instructions to guide submission of supplemental services in the MA EDS.[2]

[1] Previously published Health Plan Management System (HPMS) memoranda can be accessed at https://www.cms.gov/about-cms/information-systems/hpms/hpms-memos-archive-weekly

[2] The February 2024 technical instructions, *Medicare Advantage General Supplemental Services Submission Guide* ("February 2024 technical instructions") and other guidance related to submissions of supplemental benefits on

Since then, CMS has held a series of outreach calls with MA organizations to learn more about the implementation of the February 2024 technical instructions. Through these discussions, CMS identified several best practices that have supported successful submission of these data, including early enterprise-wide coordination, vendor data standardization, and robust internal data validation processes. Organizations that have successfully submitted a broad range and number of supplemental benefits on encounter data records (EDRs) reported collaborating closely with vendors and providers to standardize data collection, often through simplified templates and normalized flat files, ensuring their partners could submit consistent data despite varying technical sophistication. These organizations also attributed their success to leveraging an "all-hands" approach, engaging cross-functional teams (e.g., IT, claims, vendor management, compliance and product teams, and team responsible for plan benefit package (PBP) and bid pricing tool (BPT) submissions) early on to ensure consistent interpretation of PBP categories and mapping of claim and vendor data to EDRs.

At the same time, CMS recognizes the common challenges faced by MA organizations. These include vendor data limitations, operational complexities related to benefit returns and adjustments, and resource and staffing constraints, especially for smaller or regional plans. Organizations also cited difficulties revising vendor contracts or obtaining the necessary data to report 2024 dates of service, as well as delays in aligning internal systems and vendor feeds to capture and transmit complete utilization data. CMS understands that these challenges may vary depending on vendor mix, system configuration, and contracting timelines. While CMS continues to strongly encourage submission of supplemental benefit data beginning with 1/1/2024 dates of service, we recognize that some organizations may not be able to retroactively report 2024 utilization once systems are updated to include the supplemental benefits indicator. CMS expects, however, that EDRs for 2025 dates of service will reflect complete and accurate utilization. CMS appreciates the time and effort that MA organizations have dedicated to implementing these reporting requirements.

Further, CMS is committed to working collaboratively with MA organizations to ensure successful implementation of these requirements. CMS will closely monitor supplemental benefit submissions and follow up with organizations whose reported data appear incomplete or inconsistent with their approved bids, to ensure compliance with encounter data reporting obligations.

## Updates and Clarifications

### Updates to SBSC Codes for CY 2026

CMS is notifying MA organizations of an update to Appendix 2.12 B: Supplemental Benefit Services Category (SBSC) Codes of the *Medicare Advantage General Supplemental Services Submission Guide* for 2026 dates of service. The only SBSC code change is the modification of the code for "Three (3) Pint Deductible Waived" from "9d" to "9d-1" for 2026 dates of service.

encounter data records (EDRs) can be accessed at https://www.csscoperations.com/internet/csscw3.nsf/DID/DS4HT48I7K.

All other SBSC codes are unchanged from the code list for 2025 dates of service. Appendix 2.12 B for 2026 dates of services is now available on the CSSC Operations website.

CMS has observed in the submitted data a high frequency of Encounter Data Processing System (EDPS) Edit 19005, "Missing Supplemental Benefit Details." A root cause analysis of these submissions' returns indicates that the majority are due to the use of an SBSC code that does not align with the date of service (i.e., a 2024 SBSC code submitted for a 2025 Service Date or a 2025 SBSC code submitted for a 2024 Service Date).

For 2024 and 2025 dates of service, MA organizations should continue to use the SBSC codes as published in the appropriate Appendix 2.12 B for each respective year (e.g., 2024 dates of service should use the 2024 SBSC code list, and 2025 dates of service should use the 2025 code list). It is the responsibility of the MA organization to ensure the SBSCs assigned to each EDR are for the appropriate service year.

**Reporting Returns of Supplemental Items Purchased with a Pre-Funded Card**

In the November 12, 2024 memorandum, "Submission of Supplemental Benefits Data on Medicare Advantage Encounter Data Records – Reminders, Other Supplemental Service Updates, and Frequently Asked Questions (FAQs)," CMS stated that situations in which reported supplemental benefits utilization needs to be revised after an EDR is submitted should be handled in the same general fashion that an organization would handle the reprocessing and resubmission of an EDR for a medical service or item.

Since the release of that memorandum, we have received requests for additional guidance on how to accurately report returns when (1) it is not clear to the MA organization which encounter to void and resubmit or replace (for example, over-the-counter (OTC) benefit utilization is being reported on a per-use basis with multiple encounters in a single benefit period and the vendor reports a return that is not linked to the original purchase), (2) the item is purchased as part of a combined supplemental benefit package or administered via a pre-funded card that covers multiple benefits (for example, a single debit card with both an OTC allowance and a food and produce allowance); and/or (3) the return(s) occur in a different benefit period from the original purchase.

MA organizations should obtain from their vendors the details necessary to accurately and completely populate EDRs for supplemental items and services; CMS recognizes that this may require modifications to tracking or reporting arrangements. In cases in which an MA organization is not able to amend vendor reporting arrangements for CY 2024 or 2025 dates of service to accurately assign returns to the original encounter, submitting organizations should use their best judgement in allocating the returned amounts across applicable benefit period(s) and/or benefit types. CMS expects that MA organizations will work with vendors to have necessary updates in place to report accurate and complete data on returns of supplemental items for 2026 dates of service.

CMS requests feedback from MA organizations on operationally feasible approaches to collecting and reporting accurate and complete data on returns of supplemental items including any specific challenges encountered in linking returned transactions to original encounters, data

elements or processes that would improve reporting, and proposed solutions or best practices that could inform future technical guidance. Comments should be directed to RiskAdjustmentOperations@cms.hhs.gov; please specify "Supplemental Benefits Submission – November 2025 Memorandum" in the subject line.

**Reporting VBID and SSBCI Benefit Utilization**

MA organizations are required to submit EDRs for all basic and supplemental benefits, including those offered to beneficiaries as part of the VBID model or to chronically ill beneficiaries as SSBCI. When submitting EDRs for benefits that are entered in the PBP in category 19 ("VBID/MA Uniformity Flexibility/Special Supplemental Benefits for the Chronically Ill (SSBCI)"), MA organizations should use the appropriate SBSC code for the actual benefit provided. For example, if a plan offers Food and Produce as SSBCI, beneficiary utilization of the benefit should be reported with SBSC code 13i1.

**Reporting Supplemental Benefits Related to Extensions to Medicare-Covered Benefits**

As CMS acknowledged in the September 26, 2024, user group call presentation, "Submission of Supplemental Benefits Data on Medicare Advantage Encounter Data Records," we are aware of reporting challenges for a subset of supplemental benefits that are related to extensions of Medicare-covered services (including additional days for inpatient acute and psychiatric stays, waivers of hospital stays prior to a SNF admission, and waivers of the three (3) pint blood deductible). At this time, CMS does not have additional instructions to provide to MA organizations on this topic; however, we remind MA organizations that CMS requires organizations providing services or items to Medicare beneficiaries to submit data that characterize the context and purpose of each item and service provided to a Medicare beneficiary, including supplemental benefits. We encourage submitting organizations to develop standardized internal processes to report these benefits.

**Dental**

CMS has published multiple documents related to the submission of supplemental dental services via the X12 837-Dental (837D) format, including the technical guide, *Medicare Advantage Supplemental Dental Services Submission Guide*, which is available at the CSSC Operations website, and most recently, the August 15, 2025, HPMS memorandum, "Medicare Advantage Encounter Data Dental Submissions Clarifications Update." We remind MA organizations and submitters that other instructions published by CMS for use by A/B Medicare Administrative Contractors (MACs) regarding the submission of Medicare claims for dental services inextricably linked to covered medical services under the Medicare Physician Fee Schedule do not apply to MA encounter data submissions in the 837D format. This includes requirements for use of the KX modifier and ICD-10 diagnosis codes.