

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
Center for Medicare  
7500 Security Boulevard, Mail Stop S2-22-25  
Baltimore, Maryland 21244-1850



**MEDICARE PLAN PAYMENT GROUP**

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**DATE:** August 31, 2010

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

**FROM:** Cheri Rice /s/  
Acting Director, Medicare Plan Payment Group

**SUBJECT: Medicare Advantage Prescription Drug System (MARx) September 2010 Payment – INFORMATION**

This letter provides information regarding the September 2010 payment scheduled for receipt on September 1, 2010.

**Quarterly Medicaid Update**

The quarterly update of the default risk adjustment factors for Medicaid status was included in the September payment. The transaction reply report will contain transaction type 30 and reply code 077s for impacted members. The adjustments will appear on the Monthly Membership Report (MMR) with adjustment reason code (ARC) 10.

**User Fee Collections**

September is the last month to collect the Fiscal Year 2010 user fees. The percentages for the National Medicare Education Campaign (NMEC) user fees are estimates based on expected enrollment throughout the year. They are adjusted in September so the mandated cap amounts are collected. The MA-PD % changed from .051% to .104% so that the cap amount of \$52.1M is collected. The PDP % changed from .053% to .178% to collect the cap amount of \$19.4M. There is no change to the COB user fee amounts of \$.21 per Part D member.

**Late Enrollment Penalty (LEP) Cleanup**

A cleanup was processed to correct previous LEP adjustment errors that occurred when plan transactions successfully updated the number of uncovered months but the resulting adjustments were incorrect. The adjustments now match the uncovered months data for the population covered by this cleanup. Please note that not all existing LEP issues are addressed by this cleanup. Several more LEP cleanups are scheduled to be processed in the upcoming months.

**Premium Withhold Requests for Railroad Retirement Board (RRB) Members**

REMINDER – Plans should not submit requests for premium withhold for RRB members. The RRB has not yet completed the systems changes necessary to accept premium withhold transactions. CMS will notify the plans when RRB announces the start date of the premium withhold option.

Please contact the appropriate Division of Payment Operations (DPO) representative (list attached) with questions about information in this letter or assistance with other payment or premium related issues. Thank you.

DIVISION OF PAYMENT OPERATIONS (DPO)  
REGIONAL ASSIGNMENTS

Boston	Louise Matthews (410) 786-6903 <a href="mailto:Louise.Matthews@cms.hhs.gov">Louise.Matthews@cms.hhs.gov</a>
New York and PACE Plans	William Bucksten (410) 786-7477 <a href="mailto:William.Bucksten@cms.hhs.gov">William.Bucksten@cms.hhs.gov</a>
Philadelphia:	James Krall (410) 786-6999 <a href="mailto:James.Krall@cms.hhs.gov">James.Krall@cms.hhs.gov</a>
Atlanta:	Louise Matthews (410) 786-6903 <a href="mailto:Louise.Matthews@cms.hhs.gov">Louise.Matthews@cms.hhs.gov</a>
Chicago:	Janice Bailey (410) 786-7603 <a href="mailto:Janice.Bailey@cms.hhs.gov">Janice.Bailey@cms.hhs.gov</a>
Dallas:	Mary Stojak (410) 786-6939 <a href="mailto:Mary.Stojak@cms.hhs.gov">Mary.Stojak@cms.hhs.gov</a>
Kansas City and Denver:	Terry Williams (410) 786-0705 <a href="mailto:Terry.Williams@cms.hhs.gov">Terry.Williams@cms.hhs.gov</a>
San Francisco and Seattle	Kim Miegel (410) 786-3311 <a href="mailto:Kim.Miegel@cms.hhs.gov">Kim.Miegel@cms.hhs.gov</a>
Demos	Mary Stojak (410) 786-6939 <a href="mailto:Mary.Stojak@cms.hhs.gov">Mary.Stojak@cms.hhs.gov</a>
DPO Director	Marla Kilbourne (410) 786-7622 <a href="mailto:Marla.Kilbourne@cms.hhs.gov">Marla.Kilbourne@cms.hhs.gov</a>