

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



CENTER FOR MEDICARE

DATE: August 31, 2026

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

FROM: Shruti Rajan, Acting Group Director, Medicare Plan Payment Group

SUBJECT: Medicare Advantage/Prescription Drug System (MARx)
September 2026 Payment – INFORMATION

This letter provides information about the September 2026 Medicare Advantage/Prescription Drug payment, which is scheduled for receipt on September 1, 2026, and other payment related items that may require plan action.

Final Adjustment of Coordination of Benefits (COB) and National Medicare Education Campaign (NMEC) User Fees for 2026

As announced on December 31, 2025,¹ pursuant to section 1860D-24(a)(3) of the Act and 42 CFR § 423.464(c), CMS is authorized to impose user fees on Part D sponsors for the transmittal of information necessary for benefit coordination between sponsors and other entities providing prescription drug coverage. CMS reviews and updates this user fee annually to reflect the costs associated with COB activities for the specific year. To collect the required total 2026 COB user fee of \$0.65 per member, for payment months January through August 2026 the fee was collected using a rate of 7.2 cents per member per month. For the September payment cycle the collection rate was raised to 7.4 cents per member to ensure the required total COB user fee was collected for the year.

Similarly, pursuant to section 1857(e)(2) of the Social Security Act, health plans are required to contribute toward enrollment-related expenses through the NMEC fee. Collection of the total annualized fees begins in the payment month of January and ends in the payment month of September, whereupon adjustments are made aligning YTD collections with required amounts. To guarantee that the full MA-PD NMEC user fee of \$108.9 million was collected for fiscal year 2026, for the payment month of September 2026 the collection rate was raised from 0.021% to 0.029%. The September 2026 payment cycle did not include any Prescription Drug Plan (PDP) NMEC assessments due to its having reached the maximum allowable collection of \$11.4 million in the preceding month.

¹ See *Medicare Advantage/Prescription Drug System (MARx) January 2026 Payment – INFORMATION*

Medical Loss Ratio (MLR) Remittances for 2024

For plans that are required to pay 2024 MLR remittances, these adjustments were included in the August 2026 payment. They appeared on the Plan Payment Report (PPR) with an adjustment type code “MLR.” For more information on 2024 remittances, please refer to the HPMS memo from Jennifer R. Shapiro dated October 31, 2025, titled, “Medical Loss Ratio (MLR) Report and Attestation Submission Reminder for Contract Year 2024.”

Sequestration

Per legislative statute, on April 1, 2013, there began a 2.0% sequester of payments for medical services and supplies. For the period May 1, 2020, through March 31, 2022, a suspension of sequestration existed. Sequestration at a rate of 1.0% began on April 1, 2022, and continued through June 30, 2022. Effective July 1, 2022, sequestration at the original statutorily established rate of 2.0% was restored and remains in effect. Retroactive payment adjustments are calculated accordingly.

Submitting MAPD Help Desk Trouble Tickets Involving Premium/Payment Information

CMS has a mission to provide clear, accurate, and timely information about CMS programs to the entire health care community to improve quality and efficiency in an evolving health care system. If you have already submitted a trouble ticket, no further action is required by the plan. If you have been informed by the help desk that your ticket has been consolidated under a “parent ticket,” that means we are aware of an issue or concern affecting multiple organizations and will be working on addressing the issue. Knowing how many organizations are reporting the same problem under the parent ticket allows us to assess the scale of the problem and helps us prioritize the fix to the issue.

If you have any questions or concerns about any of the information within this letter or wish to inquire about the adjustment going into the monthly payment for your plans, please contact the MAPD Help Desk at mapdhelp@cms.hhs.gov, or 1-800-927-8069.