

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



## **CENTER FOR MEDICARE**

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**DATE:** December 31, 2025

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

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

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

This letter provides information about the January 2026 Medicare Advantage/Prescription Drug payment, which is scheduled for receipt on January 2, 2026, and other payment related items that may require plan action.

### **2026 National Default Rate used in January 2026 PACE Payments**

The Medicare Advantage monthly capitated PACE State and County Code (SCC) rates for 2026 were not utilized when calculating the January 2026 PACE payment. Instead, the national default rate for 2026 was applied. CMS has adjusted the MARx system, and the 2026 PACE SCC rates will be correctly applied for the February prospective payment. Retroactive payment adjustments for January will be calculated and included in the February 2026 Monthly Membership Report Detail data file (MMR) with Adjustment Reason Code (ARC) 94 – Special Payment Adjustment Due to Cleanup and Cleanup ID CS4617180.

### **Coordination of Benefits (COB) User Fee**

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. We review and update this user fee annually to reflect the costs associated with COB activities for the specific year.<sup>1</sup> The 2026 COB user fee will be collected at a monthly rate of \$0.072 for the first 9 months of the coverage year for a total user fee of \$0.65 per enrollee per year.

### **National Medicare Education Campaign (NMEC) User Fee**

Pursuant to section 1857(e)(2) of the Social Security Act (“the Act”), plans will be charged cost-

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<sup>1</sup> See the April 1, 2025, HPMS memo titled *Contract Year (CY) 2026 Final Part D Bidding Instructions*.

sharing for enrollment related costs (the NMEC fee). CMS will begin collecting the monthly FY 2026 user fees in the January payment. The National Medicare Education Campaign (NMEC) user fee for MA-PD plans will be 0.021% for a total amount to be collected of \$108.9 million. The NMEC user fee for PDPs will be 0.021% for a total amount to be collected of \$11.4 million.

### **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](mailto:mapdhelp@cms.hhs.gov), or 1-800-927-8069.