

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



CENTER FOR MEDICARE

DATE: July 30, 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)
August 2026 Payment – INFORMATION

This letter provides information about the August 2026 Medicare Advantage/Prescription Drug payment, which is scheduled for receipt on July 31, 2026, and other payment related items that may require plan action.

2022 Risk Adjustment Overpayment Rerun

Included in the August 2026 payment are adjustments related to closed period deletes in RAPS and/or EDPS (i.e., diagnoses deleted after the deadline for final reconciliation payments) with dates of service from January 1, 2021, to December 31, 2021, that were successfully submitted by Friday, April 3, 2026. Successful submission means that your file was sent, received, all errors and rejections corrected, and accepted by the system prior to the risk adjustment data submission deadline. Adjustments for PY 2022 will appear on the August 2026 MMR with ARC 25 – Part C Risk Adjustment Factor Change/Recon, and ARC 37 – Part D Risk Adjustment Factor Change.

MARx Payment Resynchronization (Resync) Cleanup

CMS processed a routine MARx payment database resynchronization for the August 2026 payment. Payment adjustments will appear in the August 2026 Monthly Membership Report (MMR) with ARC 94 (Adjustment due to Cleanup) and Cleanup ID PYMT-RSNC.

2026 Frailty Payments

The 2026 frailty score results were recently posted to HPMS and will be incorporated into payment for PACE organizations and qualifying FIDE SNPs in August 2026. The frailty scores will be applied to both the prospective payment calculation in August and to payments for prior months back to January 2026 as retroactive payment adjustments. Adjustments will appear on the August Monthly Membership Report (MMR) using Adjustment Reason Code (ARC) 18 – Part C Rate Change.

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.