

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



CENTER FOR MEDICARE

DATE: May 29, 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)
June 2026 Payment – INFORMATION

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

2025 Final Risk Adjustment Reconciliation

The final 2025 risk adjustment reconciliation adjustments are included in the June 2026 payment. As announced in the February 26, 2026, HPMS memo, "Medicare Advantage/Prescription Drug System (MARx) March 2026 Payment – INFORMATION", the updated risk scores are based on diagnoses with dates of service from January 1, 2024, to December 31, 2024, submitted to CMS through March 6, 2026. The payment adjustments appear on the June 2026 Monthly Membership Report (MMR) with Adjustment Reason Code (ARC) 25 – Part C Risk Adjustment Factor Change/Recon, and ARC 37 – Part D Risk Adjustment Factor Change.

Manufacturer Discount Program (MDP) Invoice Offsets

MDP invoice offsets for **2025** and **2026** are included in the June 2026 payment. They appear in separate lines on the Plan Payment Report (PPR) with an adjustment type code "MDP".

Manufacturer Discount Program (MDP) Invoice Offset Reversals

If applicable, MDP invoice offset reversals may be included due to Q3 2025 and Q4 2025 invoice adjustments for P1530. If your contract received the April 29, 2026, email from the TPA with the subject line: "NOTICE: MDP Invoice Adjustments for Q3/Q4 2025 and Q1 2026," please refer to that notice for more information on the invoice adjustments. The reversals appear on separate lines on the PRR with adjustment type code "MDP".

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.