

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



CENTER FOR MEDICARE

DATE: September 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)
October 2026 Payment – INFORMATION

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

Manufacturer Discount Program (MDP) Invoice Offsets

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