

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Center for Medicare
7500 Security Boulevard, Mail Stop C1-13-07
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MEDICARE PLAN PAYMENT GROUP

DATE: September 24, 2014

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

FROM: Cheri Rice
Director

SUBJECT: Medicare Advantage Prescription Drug System (MARx) October 2014 Payment – INFORMATION

This letter provides information about the October payment, which is scheduled for receipt on October 1, 2014, and other payment related items that may require plan action.

Fiscal Year (FY) 2014 User Fees

September 2014 was the last month to collect the FY 2014 user fees. The collections will resume in the January 2015 payment. Plans will be notified about the FY 2015 user fee percentages prior to that date.

Re-run of Final Risk Adjustment Reconciliations for 2009 and 2012

The re-runs of the 2009 and 2012 reconciliations were processed in the October payment. Plans will see adjustments with adjustment reason code (ARC) 25 – Part C Risk Adjustment Factor Change/Recon and ARC 37 – Part D Risk Adjustment Factor Change on the Monthly Membership Reports (MMRs).

2013 and 2014 Coverage Gap Discount (CGD) Invoice Offsets

The 2013 and 2014 CGD invoice offsets continue in the October payment. The adjustments appear on the Plan Payment Report (PPR) as CMS special adjustments with a type of “CGD.”

Medicare Secondary Payer (MSP) Cleanup

CMS recently corrected an issue that was causing MARx to incorrectly combine MSP periods and not create payment adjustments for all applicable timeframes. CMS corrected the MARx code and completed a cleanup which synchronized MSP status with payments. The related adjustments will appear on the October MMRs with ARC 42 – Retroactive MSP Status, and a cleanup ID of RT2515615B. The adjustments include all years from 2009 forward for ESRD MSP, and 2010 forward for Aged/Disabled MSP.

Recovery Audit Contractor (RAC) Offsets

Some plans will see offsets related to the Part D RAC audits conducted for the years 2009 through 2011 in the October payment. They appear on the PPR as CMS special adjustments with a type of "RAC."

cc: DPO Representatives
Director, DPO
MAPD Customer Support

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