

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



**Center for Medicare  
Medicare Plan Payment Group**

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DATE: September 29, 2014

TO: All Part D Plan Sponsors, including PACE Organizations

FROM: Cheri Rice, Director  
Medicare Plan Payment Group

SUBJECT: 2013 Final Part D Payment Reconciliation

CMS completed the calculations for the 2013 Final Part D Payment Reconciliation. The calculations were performed in accordance with §1860D-14 and §1860D-15 of the Social Security Act and associated regulations and guidance. The reconciliation calculations utilize all Prescription Drug Event (PDE) data received by 1:00 PM ET on June 30, 2014 and accepted in the Drug Data Processing System; all prospective payments made for Part D net of all adjustments processed through the September 2014 payment; and DIR information received in the Health Plan Management System (HPMS) by August 22, 2014.

In accordance with Section 256(d) of the Balanced Budget and Emergency Deficit Control Act of 1985 (BBEDCA), CMS will not take into account any reductions in prospective payment amounts due to sequestration for purposes of computing the Part D risk corridor reconciliation under section 1860D-15(e) of the Social Security Act. In other words, the “Target Amount” will not include any sequester reductions in prospective payments. In addition, Section 256(d)(7) of the BBEDCA exempts payments made under section 1860D-15(e)(2)(B) of the Social Security Act from sequestration. Therefore, any payment resulting from the Part D Reconciliation (i.e., payments made as a result of risk sharing) would not be subject to sequestration.

The payment reconciliation reports will be available in your reconciliation mailboxes at the Customer Service and Support Center (CSSC) on Tuesday, September 30, 2014. If you cannot access these reports, please contact CSSC at 877-534-2772.

In addition to receiving the payment reconciliation reports, sponsors will receive the Part D Exclusion from Reconciliation Report. The Part D Exclusion from Reconciliation Report was described in the January 6, 2014 HPMS memo titled, “Reconciliation PDE Exclusion Process” and the April 16, 2014 HPMS memo titled, “Updates to the Reconciliation PDE Exclusion Process”. The report will identify PDEs that were excluded from the 2013 Part D payment reconciliation. PDEs were excluded if a beneficiary was retro-actively disenrolled (no enrollment in any Part D plan on the date of service (DOS), or DOS on the PDE is

greater than 32 days after the beneficiary date of death.

Payment adjustments to remit and recover these calculated reconciliation amounts are planned for November 2014 payment. Payment is contingent on receipt of the Attestation of Data Relating to CMS Payment to a Medicare Part D Sponsor-CY 2013 and the Attestation of Plan-to-Plan Reconciliation Payment Data-CY 2013, which were due by September 12, 2014. If the attestations were not received, the payment will not occur in the November 2014 payment. The payment will occur after the attestations are received.

The regulations provide for appeal rights at 42 C.F.R. §423.350. Appeals are filed when a plan sponsor does not believe that CMS applied its stated payment methodology correctly. Refer to the reopenings and appeals guidance, which was released through HPMS on May 8, 2008, for additional information on the process for filing an appeal. If you wish to appeal, your request must be filed and received by October 15, 2014. Requests for appeal should be addressed to Cheri Rice, and sent to the Reconciliation Support Contractor, Acumen LLC (Acumen).

Acumen, LLC  
Attn: Part D Payment Support  
500 Airport Blvd, Suite 365  
Burlingame, CA 94010

If you intend to send your appeal electronically, submit the appeal to Acumen at [PartDPaymentSupport@acumenllc.com](mailto:PartDPaymentSupport@acumenllc.com).

CMS may reopen final payment determinations. Part D Sponsors can submit requests for reopening, as instructed in the May 8, 2008 HPMS memo referenced above. Any requests received from Part D Sponsors prior to the release of the final payment determination are not considered valid requests for reopening. The Part D Sponsor will have to resubmit the request and the reopening request spreadsheet in accordance with the guidance in the May 8, 2008 memo.

Any questions regarding this memo can be sent to Acumen.