

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Center for Medicare
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MEDICARE PLAN PAYMENT GROUP

DATE: November 20, 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) December 2014 Payment – INFORMATION

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

Re-run of Final Risk Adjustment Reconciliations for 2007 and 2008

The re-runs of the 2007 and 2008 reconciliations were processed in the December payment. Plans will see adjustment reason codes (ARC) 25 – Part C Risk Adjustment Factor Change/Recon and ARC 37 – Part D Risk Adjustment Factor Change on the Monthly Membership Reports (MMRs).

2015 User Fees

The FY 2015 user fee collections resume in the January – September 2015 payments. The National Medicare Education Campaign (NMEC) user fee for MA-PD plans will be 0.044%; the total amount to be collected is \$59 million. The NMEC user fee for PDPs will be 0.041%; the total amount to be collected is \$17.5 million. The Coordination of Benefits user fee will be \$0.136 per Part D member per month.

Quarterly Medicaid Update

The quarterly update of the default risk adjustment factors for Medicaid status was included in the December payment. The Transaction Reply Reports (TRR) display TRC 077 – Medicaid Status Set for impacted members. The adjustments display on the MMR with ARC 10 – Retroactive Medicaid Status.

Recovery Audit Contractor (RAC) Offsets

Some plans will see offsets related to the Part D audit for Unauthorized Prescribers conducted for 2012 in the December payment. They appear on the Plan Payment Report (PPR) as CMS special adjustments with a type of “RAC”.

RAC Credits

Some plans will see credits related to the Part D audit for Unauthorized Prescribers conducted for 2009 in the December payment. They appear on the PPR as CMS special adjustments with a type of “RAC”.

Cleanup to Populate Missing Late Enrollment Penalty (LEP) Amounts on the Low Income Status (LIS)/LEP Report

Some beneficiaries that had changed their premium payment options from Withhold to Direct Bill and owed a LEP were not being populated on the LIS/LEP report. In addition, CMS was not collecting these LEP amounts from plan payments. A cleanup was run in late October 2014 so plans will see adjustments on the December 2014 LIS/LEP reports. The years impacted by these adjustments are 2008 – 2014.

cc: DPO Representatives
Director, DPO
MAPD Customer Support

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