

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Center for Beneficiary Choices
7500 Security Boulevard, Mail Stop C4-23-07
Baltimore, Maryland 21244-1850



MEDICARE PLAN PAYMENT GROUP

DATE: June 15, 2006

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

FROM: Thomas Hutchinson /s/
Acting Director

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

There were no new issues identified in the computation of the June payments; however, this letter provides additional information related to MARx processing.

IMPORTANT - Change in the November 2006 Cutoff Date

To allow CMS to complete end of year processing in a timely manner, the MARx cutoff date will be **moved from 11/15 to 11/8**. Plans must submit enrollments by 11/8 in order to receive a December 1 payment for these individuals.

Premium Withhold Process

In mid-June, CMS will provide a TRR notifying you of beneficiaries for whom CMS has been unable to fully implement the withholding of plan premiums. To date, you have received no premiums for these individuals. As stated previously, these members must be afforded the opportunity to pay these premiums to you on a repayment schedule.

In some cases, premiums have been withheld from beneficiaries' checks, but were not passed on to you due to systems data issues. CMS will notify SSA to change these members to direct bill and to refund them the full amount of any premiums withheld from their benefit checks. The members can reimburse you after this refund occurs.

2006 Mid-Year Risk Adjustment Factor Update

The mid-year risk adjustment factor update will be processed as part of your August payment. Adjustments will be computed back to January for impacted members and these adjustments will be identified on your MMR with reason code 26.

Additional June Payment

CMS will issue an additional payment to plans offering Part D that submitted enrollments with June 1 effective dates after the MARx cutoff day in May (i.e., enrollments submitted to

and processed by MARx between May 17 – 24). This payment will be wired to your accounts on or before June 12. It will be offset at the plan-level (on the plan payment report) from your July monthly payment, but the enrollments will appear on your TRR and MMR as usual.

Payment Cleanup – 36/48 Month Adjustments

For some payment adjustments computed in your February payment, MARx incorrectly exceeded the adjustment period limit of 36 months. This cleanup reverses any payments made to you after the 36th month.

If you have any questions or issues that you wish to discuss, please feel free to contact your Division of Payment Operations representative directly (per Appendix B in the Plan Communications User Guide).

cc: Mr. Gary A. Bailey, CMS
Mr. Thomas E. Hutchinson, CMS
Mr. David Lewis, CMS
Ms. Cynthia Tudor, CMS
Ms. Marla Kilbourne, CMS
Ms. Julie Boughn, CMS
RO HMO Coordinators
DPO