

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
Center for Medicare  
7500 Security Boulevard, Mail Stop C1-13-07  
Baltimore, Maryland 21244-1850



**MEDICARE PLAN PAYMENT GROUP**

---

**DATE:** November 20, 2012

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

**FROM:** Cheri Rice /s/  
Director

**SUBJECT: Medicare Advantage Prescription Drug System (MARx) December 2012 Payment – INFORMATION**

This letter provides information about the December payment, which is scheduled for receipt on November 30, 2012, and other payment related items that may require plan action. Please note that the January 2013 payment will be made to plans on January 2, 2013.

**FY 2013 User Fees**

The FY 2013 user fee collections will resume in January. The Coordination of Benefits (COB) user fee will be \$.13 per Part D member per month from January to September. The National Medicare Education Campaign (NMEC) user fee for MA-PD plans will be .045%; the total amount to be collected is \$54 Million. The NMEC user fee for PDPs will be .043%; the total amount to be collected is \$18.3 Million.

**2013 MARx Operating Calendar**

The MARx calendar has been completed and is attached to this letter. Please note the early “Plan Data Due” dates in February, August, October, November and December.

**2011 Part D Reconciliation**

The results of the 2011 Part D reconciliation are included in the December payment. The adjustments are on the plan payment report as a CMS special adjustment with a type of PRS.

**Coverage Gap Discount (CGD) Offsets**

The CGD offsets for 2012 continue in the December payment. They appear on the plan payment report as a CMS special adjustment with a type of CGD.

**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 Monthly Membership Report (MMR) with Adjustment Reason Code (ARC) 10 – RETROACTIVE MEDICAID STATUS.

### **Premium Table Cleanup**

A cleanup was conducted to align premium system values within MARx. This will result in premiums that were previously withheld by SSA/RRB to be paid to, or taken back from, the plans.

### **Payments Based on Incorrect State and County Code (SCC)**

A data clean-up was performed in the December payment to correct an issue related to MARx computing payment based on an incorrect SCC. This cleanup will also correct a related issue that caused the MARx screen M203: Beneficiary Snapshot to display an invalid SCC and out of area residency status information.

Plans should have received corrected data in their normal Daily Transaction Reply Report (DTRR) dated October 23, 2012 under TRC 85 - State and County Code Change. In addition, affected plans will receive corrected payment adjustments on their December 2012 Monthly Membership Detail Report (MMR) under ARC 011-Retroactive Change to State and County Code.

### **Premium Payment Option (PPO) Missing on TRR for TRC 185**

CMS implemented a software fix on August 12, 2012 to correct an issue related to MARx not populating the PPO on TRCs 185 - Withholding Agency Accepted Transaction as expected. This error occurred between May 2011 and August 2012.

As a result of this software fix, beginning with the August 14, 2012 DTRR, a TRC 185 is populating with the PPO. A cleanup will not be processed to address this issue due to the age of these transactions and the likely confusion that would result from a cleanup (at this point, plans know what the PPO is for their impacted members).

### **Ending PACE Plan Payment when MARx Processed Hospice Notifications**

A cleanup was performed in the December payment to correct an issue related to MARx prematurely ending PACE plan payments after a hospice notification was processed. Prior to the August software fix, if the start date for a hospice transaction was after the first of a month, MARx would prematurely cause a disenrollment for that month and end payment to the PACE Plan. However, disenrollment should not have occurred for that month because the beneficiary's hospice period was not in effect on the first of that month.

Plans should have received corrected data in the normal DTRR dated October 23, 2012, which included all or some of the following TRCs:

- 011 Enrollment Accepted as Submitted
- 018 Automatic Disenrollment
- 121 Low Income Period Status

In addition, affected PACE Plans will receive corrected payments on their December 2012 MMR under ARC 02 - Retroactive Enrollment.

**Adjustment Detail Screen (M408) Display Error “No adjustment data for the reason code clicked”**

CMS implemented a software fix on October 21, 2012 to correct an issue related to the MARx not displaying payment adjustment details and responding with the message “*No adjustment data for the reason code clicked*” on the MARx screen M408: Adjustment Details. Plans will now be able to view ARC data on the M408: Adjustment Details screen as expected.

**Backlog of ESRD Cases Submitted to Reed and Associates**

There has been a delay processing plan requests submitted to Reed and Associates for the development of ESRD member information. CMS has resolved the issue causing the delay, and plans should begin seeing retroactive payment adjustments on the MMRs.

Please contact the appropriate DPO Representative (list attached) if you have any questions about the information in this letter or need assistance with other payment or premium related issues. Thank you.

cc: DPO Representatives  
Director, DPO  
MAPD Customer Support

**CENTERS FOR MEDICARE  
MEDICARE PLAN PAYMENT GROUP  
DIVISION OF PAYMENT OPERATIONS (DPO)  
REGIONAL REPRESENTATIVES – 2012**

|                             |  |
|-----------------------------|--|
| Boston and<br>Kansas City   | Terry Williams<br>(410) 786-0705<br><a href="mailto:Terry.Williams@cms.hhs.gov">Terry.Williams@cms.hhs.gov</a>       |
| New York,<br>Demos/PACE     | William Bucksten<br>(410) 786-7477<br><a href="mailto:William.Bucksten@cms.hhs.gov">William.Bucksten@cms.hhs.gov</a> |
| Philadelphia                | James Krall<br>(410) 786-6999<br><a href="mailto:James.Krall@cms.hhs.gov">James.Krall@cms.hhs.gov</a>                |
| Atlanta                     | Louise Matthews<br>(410) 786-6903<br><a href="mailto:Louise.Matthews@cms.hhs.gov">Louise.Matthews@cms.hhs.gov</a>    |
| Chicago                     | Mary Stojak<br>(410) 786-6939<br><a href="mailto:Mary.Stojak@cms.hhs.gov">Mary.Stojak@cms.hhs.gov</a>                |
| Dallas                      | Michelle Page<br>(410) 786-6937<br><a href="mailto:Michelle.Page@cms.hhs.gov">Michelle.Page@cms.hhs.gov</a>          |
| San Francisco<br>And Denver | Kim Miegel<br>(410) 786-3311<br><a href="mailto:Kim.Miegel@cms.hhs.gov">Kim.Miegel@cms.hhs.gov</a>                   |
| Seattle                     | Shawanda Perkins<br>(410) 786-7412<br><a href="mailto:Shawanda.Perkins@cms.hhs.gov">Shawanda.Perkins@cms.hhs.gov</a> |
| DPO Director                | John Scott<br>(410) 786-3636<br><a href="mailto:John.Scott@cms.hhs.gov">John.Scott@cms.hhs.gov</a>                   |