

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
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**CENTER FOR MEDICARE**

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**DATE:** November 19, 2021

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

**FROM:** Jennifer R. Shapiro, Medicare Plan Payment Group

**SUBJECT:** Medicare Advantage/Prescription Drug System (MARx) December 2021 Payment – INFORMATION

This letter provides information about the December 2021 Medicare Advantage/Prescription Drug payment, which is scheduled for receipt on December 3, 2021.

**CY 2020 Part D Payment Reconciliation**

The 2020 Part D reconciliation processing is complete (a forthcoming HPMS memorandum will further discuss this topic). The final Part D reconciliation payment adjustment for 2020 is scheduled to be included in the January 2022 payment. The payment adjustments will be displayed on the Plan Payment Report (PPR) as Special CMS Adjustments with the type of “PRS.”

**Coverage Gap Discount (CGD) Invoice Offsets**

The 2021 CGD invoice offsets are included in the December 2021 payment. The payment adjustments are displayed on the Plan Payment Report (PPR) as Special CMS Adjustments with the type of “CGD.”

**Sequestration Suspension**

The Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”), enacted on March 27, 2020, suspended the sequestration of Medicare programs between May 1, 2020, and December 31, 2020. The Consolidated Appropriations Act, 2021, enacted December 27, 2020, extended this suspension for three more months, through March 31, 2021. H.R. 1868, enacted on April 14, 2021 further extends the suspension through December 31, 2021.

Based on the current statute, CMS will resume standard sequestration reductions beginning with January 2022 payment for Medicare Advantage, Programs of All-Inclusive Care for the Elderly, Medicare-Medicaid Plans, section 1876 and 1833 cost-based Managed Care Organizations, and Part D. Sequestration will continue to be suspended for retroactive adjustments made to payments for the months of May 2020 through December 2021.

**Changes to MARx Plan Transaction Processing**

*Batch Input Transaction Data File Name*

As announced in the *May 2019 Detailed Release Memo*, issued through the Health Plan Management System (HPMS) on 04/11/2019, CMS installed changes so that the Enterprise Identity

Management (EIDM) User ID is used when sending the Batch Input Transaction Data File to MARx. For the Batch Input Transaction Data File to process successfully, and to receive a Batch Completion Summary Report (BCSS), plans should not submit files with the same date and time in the file name. This will cause a MARx system error and prevent the system from generating the BCSS.

*Extension of the Transition Period for Submitting MARx Batch Input Header Record*

CMS has extended the transition to June 30, 2022, for plan submitters to use both the old and new MARx Batch Input Detail submission files.

**End of Year 2021 Part C Premium Processing (Transaction Code 78)**

To reduce the number of Part C Premium Change transactions (TC 78) to be processed for existing enrollments at year end, the MARx system will automatically populate beneficiary records with the 2022 premium amount for a plan benefit package – any premiums for basic and mandatory supplemental benefits – from the Health Plan Management System (HPMS). MARx will perform this update for *all existing* enrollees, including *those impacted by plan rollovers* via the HPMS Crosswalk.

Unless the enrollee has elected optional supplemental benefits for Part C, plans should not need to submit Part C Premium Change transactions for existing enrollments, since MARx will already be using the premium amount without the optional supplemental benefits. For enrollees who elect optional supplemental benefits with 2022 effective dates, Part C plans are required to submit Part C Premium Change transactions (TC 78) with the correct Part C premium amounts (i.e., any premiums for basic and/or mandatory supplemental benefits, plus premiums for optional supplemental benefits).

Plans were required to submit these transactions before November 8, 2021. Part C Premium Change (TC 78) transactions for effective date January 2022 were required to be submitted to MARx beginning November 8, 2021, and ending on the December plan data due date of December 3, 2021, in order to be reflected in the January 2022 payment.

*If a plan misses the December 3, 2021 plan data due date, MARx will accept and process plan submitted Part C Premium Changes (TC 78, effective January 1, 2022), until the plan data due date of February 4, 2022.*

The 2022 payment/premium configurations were processed between November 8 and November 11, 2021. After configurations were established, the Part C Premium/PPO transactions were processed.

*No Premiums Due*

For enrollees who may have been inadvertently put into a “No Premium Due” status, the “No Premium Due Data File” was made available during the second full week of November.

If the Part C premium amount is composed only of elected optional supplemental benefits, and no Part D premium is due, plans should also review the “No Premium Due Data File” to identify enrollees who may have been changed to a “No Premium Due” status.

*End of Year Premium and Premium Payment Option processing for CMS-generated rollovers*

CMS processed CMS-generated rollover and termination actions on November 2 and 3, 2021. During this time, CMS moved members (or “rollover” membership) between PBP’s where necessary and, in some circumstances, between contract numbers as specified in the HPMS Crosswalk.

Because the 2022 CMS-generated rollover process is executed prior to when the 2022 Payment/Premium data is loaded to the MARx databases, the MARx premium process will assess the prior year’s Part C premium amount to the new plan’s Part C premium amount. If the premium amount is inconsistent between the two plans, MARx will use the minimum Part C premium amount from the new plan and also change the PPO to direct bill. The plan is notified via the DTRR, with a TRC 144 – PPO Changed to Direct Bill, and TRC 182 – Invalid Pt C Premium Submitted Corrected, Accepted.

In these cases, plans should submit both a Part C Premium Change (TC 78) and a Premium Payment Option Change (TC 75) transaction for 2022.

**End of Year 2021 Premium Payment Option (PPO) Processing (Transaction Code 75)**

New premium withholding requests must be submitted by CMS to either the Social Security Administration (SSA) or Railroad Retirement Board (RRB) for confirmation before taking effect on January 1, 2022.

Plans were required to submit these transactions before November 8, 2021. Premium Payment Option Change (TC 75) transactions for effective date January 2022 were required to be submitted to MARx beginning November 8 and end on the December plan data due date of December 3, 2021.

Plan PPO changes submitted to MARx after the plan data due date of December 3, 2021, will be set to “direct bill” for January 2022. The plan will be notified of this via the DTRR, with a TRC 144 – PPO Changed to Direct Bill.

**End of Year 2021 Automatic Assignment of Segment IDs in the MARx System**

CMS automates the assignment of Segment IDs for segmented MA organizations. Each State and County Code (SCC) in a plan’s service area belongs to only one segment. This enables MARx to automate the assignment of Segment IDs according to the residence SCC of the beneficiary. If a plan does not provide a Segment ID, MARx uses the residence SCC to select the appropriate Segment ID. This assigned Segment ID is returned in the DTRR.

If, for the upcoming plan year, the segments of a plan have been redefined, either because segments have been renumbered or SCCs have been mapped to different segments, MARx will automatically generate Segment Change Transactions (Transaction Type 77) to maintain impacted beneficiaries in the appropriate plan segments for the New Year. If a segment terminates at the end of year, MARx will also automatically move impacted beneficiaries to any of the remaining active segments according to their residence SCC.

CMS continues to permit plans to submit Segment IDs as they do now. If the beneficiary is not out of area, MARx uses the submitted Segment ID rather than the system-derived one. If a beneficiary is flagged as out of area for the plan, the MARx system automatically assigns a default Segment ID. This occurs even if the plan submits a Segment ID on the enrollment transaction. When the beneficiary is assigned to a default Segment ID, the plan receives TRC 316 – Default Segment ID Assignment. The default segment will be the segment with the lowest premiums.

Additionally, CMS may change a beneficiary's Segment ID when notified that the beneficiary's address has changed. The newly derived SCC is used to assign the new Segment ID. This activity generates a TRC 317 – Segment ID Reassigned after Address Update. If the new address places the beneficiary out of area for the contract, the beneficiary is assigned the default Segment ID.

If premium withholding is requested on the enrollment transaction or the premium payment option transaction for a beneficiary assigned to a default Segment ID, it will be considered as having an out of area status, and the beneficiary's Premium Payment Option automatically changes to "Direct Bill." This will generate TRC 393 (PPO changed to Direct Bill; Out of Area). However, if a beneficiary with established withholding moves out of area, CMS will report the default Segment ID assignment to SSA/RRB but leave the withholding status unchanged.

CMS alerts MA organizations to default Segment ID assignments and reassignments of Segment IDs due to changes in the SCC through defined TRCs on the DTRR.

- TRC 316, Default Segment ID Assignment
- TRC 317, Segment ID Reassigned after Address Update

The segment assignment process will include service area expansions. If a plan expands the service area of a PBP, MARx will detect this change. If applicable, MARx will move impacted beneficiaries from a default segment to a segment that now contains the SCCs of their addresses and plans will receive TRC 317 – Segment ID Reassigned after Address Update.

Questions or concerns about any of the information within this letter should be directed to the MAPD Help Desk at [MAPDHelp@cms.hhs.gov](mailto:MAPDHelp@cms.hhs.gov), or 1-800-927-8069.