

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



CENTER FOR MEDICARE

DATE: April 22, 2020

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

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

SUBJECT: Medicare Advantage/Prescription Drug System (MARx) May 2020 Payment – INFORMATION

This letter provides information about the May 2020 Medicare Advantage/Prescription Drug payment, which is scheduled for receipt on May 1, 2020.

Suspension of Sequestration

Section 3709 of the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”), enacted on March 27, 2020, temporarily suspends sequestration of Medicare programs between May 1, 2020 and December 31, 2020, which we will refer to as the “sequestration suspension period.” As a result, the Centers for Medicare & Medicaid Services (CMS) will suspend the application of the two percent payment reduction that would otherwise apply to Medicare Advantage (MA), Programs of All-Inclusive Care for the Elderly (PACE), Medicare-Medicaid Plans (MMPs), section 1876 and 1833 cost-based Managed Care Organizations (MCO), and Part D payments for enrollment periods that fall within the given sequestration suspension period. The two percent reduction will also not apply to any future retroactive adjustments made to payments for enrollment periods within the sequestration suspension period. CMS will continue to apply sequestration to payments for, and any retroactive adjustments made to payments for, enrollment periods outside of the sequestration suspension period.

CMS will implement the policy as described above starting with the monthly payment made in May 2020. Specifically, each month during the sequestration suspension period, the following steps, described for May 2020 to illustrate, will be taken: CMS will suspend the application of sequestration for the payments made for May 2020 enrollment, and apply sequestration to payment adjustments made in May 2020 for enrollments in months prior to the beginning of the sequestration suspension period.

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