

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



CENTER FOR MEDICARE

DATE: June 26, 2020

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) July 2020 Payment – INFORMATION

This letter provides information about the July 2020 Medicare Advantage/Prescription Drug payment, which is scheduled for receipt on July 01, 2020.

2020 Mid-Year Risk Adjustment Reconciliation

The 2020 mid-year risk adjustment reconciliation adjustments are included in the July 2020 payment. The updated risk scores are based on diagnoses with dates of service from January 1, 2019 to December 31, 2019. The payment adjustments will appear on the July 2020 Monthly Membership Report (MMR) with Adjustment Reason Code (ARC) 26 – Mid-year Risk Adjustment Factor Change, and ARC 41 – Part D Risk Adjustment Factor Change (mid-year).

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. In order 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 December 31, 2020 for plan submitters to use both the old and new MARx Batch Input Detail submission files.

Sequestration

As stated in the May 2020 Medicare Advantage/Prescription Drug System (MARx) Payment memo, released April 22, 2020, 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. Specifically, for July 2020, CMS will suspend the application of sequestration for the payments made for July 2020 enrollment, and for any adjustments made to payments made for May and June 2020 enrollments. We will continue to apply sequestration to payment adjustments made for 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.