

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



**CENTER FOR MEDICARE**

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**DATE:** May 26, 2023

**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) June 2023  
Payment – INFORMATION

This letter provides information about the June 2023 Medicare Advantage/Prescription Drug payment, which is scheduled for receipt on June 1, 2023.

**2022 Interim Final Risk Adjustment Reconciliation**

The interim final 2022 risk adjustment reconciliation adjustments are included in the June 2023 payment. The updated risk scores are based on diagnoses with dates of service from January 1, 2021 to December 31, 2021. The payment adjustments will appear on the June 2023 Monthly Membership Report (MMR) with Adjustment Reason Code (ARC) 25 – Part C Risk Adjustment Factor Change/Recon, and ARC 37 – Part D Risk Adjustment Factor Change.

As announced in the May 5, 2023 HPMS memo, “Deadline for Submitting Risk Adjustment Data for Use in Risk Score Calculation Runs for Payment Years 2022, 2023, 2024 and 2025,” CMS will conduct a final 2022 Risk Adjustment Reconciliation in late 2023, using diagnoses with dates of service from January 1, 2021 to December 31, 2021, submitted through July 31, 2023.

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

The CGD invoice offsets are included in the June 2023 payment. There are offsets for 2022 and 2023. They appear in separate lines on the Plan Payment Report (PPR) with an adjustment type code “CGD.”

**Sequestration Suspension**

While the suspension of sequestration has ended, as required by the statute, we continue to apply the suspension of sequestration for retroactive payment adjustments made for the months of May 2020 through March 2022 and will sequester 1 percent of retroactive payment adjustments made for the months of April 2022 through June 2022 and 2 percent of payments and adjustments for months beginning with July 2022.



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.