

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

DATE: September 24, 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) October 2021 Payment – INFORMATION

This letter provides information about the October 2021 Medicare Advantage/Prescription Drug payment, which is scheduled for receipt on October 1, 2021.

Medicaid Statuses on the August Monthly Membership Report (MMR)

Please be advised that, as a result of an error in a regular update to the Medicare Advantage Prescription Drug system (MARx), the status of some beneficiaries was changed from Medicaid full/partial dual to non-dual eligibility status. As reflected on the MMR, the August payments used the non-dual eligible risk adjustment factor as part of the beneficiary level payment. The error was corrected and the September prospective payment ongoing will utilize the correct full/partial dual eligible risk factor. The October 2021 payment incorporates payment adjustments to the August monthly payment to reflect the corrected dual status; these retroactive adjustments are shown with Adjustment Reason Code (ARC) 10 (Retroactive Medicaid Status).

For beneficiaries who are Medicaid full/partial dual-status and enrolled in a new plan effective August 2021, the payment was calculated using the non-dual eligibility status as well. Those payment adjustments will appear on the November 2021 MMR.

Coverage Gap Discount (CGD) Invoice Offsets

The CGD invoice offsets are included in the October 2021 payment. There are offsets for 2020 and 2021. They appear on separate lines of the Plan Payment Report (PPR) with an adjustment type code “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, sequestration will continue to be suspended for prospective payments through December 2021 payments. 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.

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 IdentityManagement (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 December 31, 2021, for plan submitters to use both the old and new MARx Batch Input Detail submission files.

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.