

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



CENTER FOR MEDICARE

DATE: January 31, 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) February 2023 Payment – INFORMATION

This letter provides information about the February 2023 Medicare Advantage/Prescription Drug payment, which is scheduled for receipt on February 01, 2023.

No Payment Calculated for January and February 2023

A processing error caused MARx to calculate no payments for January and February for some plan-submitted rollover enrollments with a start date of January 2023 submitted between 10/04/2022 and 10/07/2022. To address this error, CMS developed two data fixes for MARx. The first will create January 2023 payment adjustments for some of the affected enrollments and payment adjustments will appear on the February 2023 Monthly Membership Report (MMR) with Adjustment Reason Code (ARC) 02 (Retroactive Enrollment). The second fix will include all remaining payment adjustments for January and the adjustments for February payments and will appear on the March 2023 MMR with ARC 02 (Retroactive Enrollment).

Part B Premium Reduction on the MMR

MAOs can allot part of their plan revenue toward buying down part or all of the Part B premium for their enrolled beneficiaries. The amount that MAOs allot toward the Part B premium reduction is reported on the MMR in fields 59 (Rebate for Part B Premium Reduction – Part A Amount) and 60 (Rebate for Part B Premium Reduction– Part B Amount). Between January 1, 2020 and January 31, 2023, we have populated these MMR fields only for beneficiaries in an ESRD status or who are enrolled in an Employer Group Waiver Plan (EGWP). For ESRD beneficiaries and EGWP plans, these amounts are used in the calculation of the Part C monthly payment capitation amount paid to the plans.

Beginning with the February 2023 MMR, CMS will include Part B Premium Reduction in MMR fields 59 and 60 amounts for all beneficiaries and plans. For all beneficiaries enrolled in plans that allocate revenue toward reducing Part B premiums, CMS applies the allocated Part B premiums reduction amounts on behalf of the plan.

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, or 1-800-927-8069.