

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



**CENTER FOR MEDICARE**

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**DATE:** July 28, 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) August 2021 Payment – INFORMATION

This letter provides information about the August 2021 Medicare Advantage/Prescription Drug payment, which is scheduled for receipt on July 30, 2021.

**Direct Bill Late Enrollment Penalty Charges for 2021**

There are direct bill beneficiaries that incurred a late enrollment penalty (LEP) for 2021; however, the LEPs were not calculated and applied in MARx. The MARx software has since been updated and any direct bill LEP charges will appear on the August 2021 LEP data file using cleanup ID CS878238.

**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 Identity Management (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](mailto:MAPDHelp@cms.hhs.gov), or 1-800-927-8069.