

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



CENTER FOR MEDICARE

DATE: June 28, 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) July 2023
Payment – INFORMATION

This letter provides information about the July 2023 Medicare Advantage/Prescription Drug payment, which is scheduled for receipt on June 30, 2023.

2023 Mid-Year Risk Adjustment Reconciliation

The 2023 mid-year risk adjustment reconciliation adjustments are included in the July 2023 payment. The updated risk scores are based on diagnoses with dates of service from January 1, 2022 to December 31, 2022. The 2023 mid-year risk scores will be applied to both the prospective payment calculation in July and also to payments for prior months back to January 2023 as retroactive payment adjustments. The payment adjustments will appear on the July 2023 Monthly Membership Report (MMR) with Adjustment Reason Code (ARC) 26 – Mid-year Part C Risk Adjustment Factor Change, and ARC 41 – Part D Risk Adjustment Factor Change (ongoing).

2023 Frailty Score Update

In the September 9, 2020 HPMS memo titled, “Reporting Requirements for HEDIS® Measurement Year (MY) 2020, HOS, and CAHPS® Measures, and Information Regarding HOS and HOS-M for Frailty,” CMS announced that the HOS and HOS-M surveys will continue to be fielded on the August through November timeline starting in 2021 and going forward. As a result, Payment Year 2023 frailty score results were recently posted to HPMS and will be incorporated into payment for PACE organizations and qualifying FIDE-SNPs in July 2023. The frailty scores will be applied to both the prospective payment calculation in July and also to payments for prior months back to January 2023 as retroactive payment adjustments. The adjustments will appear on the Monthly Membership Report (MMR) using Adjustment Reason Code (ARC) 18 – Part C Rate Change.

Conversion of MARx to Amazon Web Services (AWS) – System Availability

MARx Transaction Processing

Due to the planned system cut-over to the AWS production environment, please be advised that

plan transaction processing will be stopped at 9:00 PM ET on Wednesday, 07/12/2023 until 6:00 AM ET on Monday, 07/17/2023. Users are strongly advised to not transmit any batch files during this time. Additionally, MARx response files and other operational files will not be transmitted to the plan until the MARx conversion is completed on 7/17/23. Those files are:

- Batch completion Summary Status (BCSS) data files during this time.
- Daily Transaction Reply Report (DTRR)
- Coordination of Benefits - Other Health Insurance (COB-OHI)
- Bi-Weekly LIS report

MARx User Interface (UI) and Batch Eligibility Query (BEQ) Availability

- From 9 PM ET Wednesday, 07/12/2023 to 12:00 PM ET, Sunday, 07/16/2023
 - the UI will be in READ-ONLY status and
 - the BEQ will be fully available.
- From 12:00 PM ET Sunday, 07/16/2023 to 6:00 AM ET Monday, 07/17/2023
 - the UI and the BEQ will be down.
- At 6:00 AM ET Monday, 07/17/2023
 - the UI and the BEQ will be fully available.

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.