

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



CENTER FOR MEDICARE

DATE: June 30, 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) July 2021 Payment – INFORMATION

This letter provides information about the July 2021 Medicare Advantage/Prescription Drug payment, which is scheduled for receipt on July 01, 2021.

2021 Mid-Year Risk Adjustment Reconciliation

The 2021 mid-year risk adjustment reconciliation adjustments are included in the July 2021 payment. The updated risk scores are based on diagnoses with dates of service from January 1, 2020 to December 31, 2020. The payment adjustments will appear on the July 2021 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).

Medical Loss Ratio (MLR) Remittances for 2019

For plans that are required to pay 2019 MLR remittances, these adjustments are included in the July 2021 payment. They appear in separate lines on the Plan Payment Report (PPR) with an adjustment type code “MLR.” For more information, please refer to the HPMS memo from Jennifer R. Shapiro dated 09/24/2020 titled “Medical Loss Ratio Data Form and Attestation Submission Reminder for Contract Year 2019.”

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, or 1-800-927-8069.