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

CENTER FOR MEDICARE

DATE: October 29, 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) November 2021 Payment – INFORMATION

This letter provides information about the November 2021 Medicare Advantage/Prescription Drug payment, which is scheduled for receipt on November 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 who disenrolled from an existing contract and enrolled into a different contract during 2021 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 utilize the correct full/partial dual eligible risk factor. The November 2021 payment incorporates adjustments to reflect the correct dual status; these retroactive adjustments are shown with Adjustment Reason Code (ARC) 10 (Retroactive Medicaid Status).

2020 Final Risk Adjustment Reconciliation

The final 2020 risk adjustment reconciliation adjustments are included in the November 2021 payment. Per the January 15, 2021 HPMS letter titled "Deadline for Submitting Risk Adjustment Data for Use in Risk Score Calculation Runs for Payment Years 2020, 2021, 2022, and 2023", the updated risk scores are based on diagnoses with dates of service from January 1, 2019 to December 31, 2019 submitted to CMS through August 8, 2021. The payment adjustments will appear on the November 2021 Monthly Membership Report (MMR) with Adjustment Reason Code (ARC) 25 – Part C Risk Adjustment Factor Change/Recon, and ARC 37 – Part D Risk Adjustment Factor Change.

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 forthe 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.

End of Year 2021 Part C Premium Processing (Transaction Code 78)

To reduce the number of Part C Premium Change transactions (TC 78) to be processed for existing enrollments at year end, the MARx system will automatically populate beneficiary records with the 2022 premium amount for a plan benefit package – any premiums for basic and mandatory supplemental benefits - from the Health Plan Management System (HPMS). MARx will perform this update for *all existing* enrollees, including *those impacted by plan rollovers* via the HPMS Crosswalk.

Unless the enrollee has elected optional supplemental benefits for Part C, plans should not need to submit Part C Premium Change transactions for existing enrollments, since MARx will already be using the premium amount without the optional supplemental benefits. For enrollees who elect optional supplemental benefits with 2022 effective dates, Part C plans are required to submit Part C Premium Change transactions (TC 78) with the correct Part C premium amounts (i.e., any premiums for basic and/or mandatory supplemental benefits, plus premiums for optional supplemental benefits).

Plans **must not** submit these transactions before November 8, 2021. Part C Premium Change (TC 78) transactions for effective date January 2022 must be submitted to MARx beginning November 8, 2021, and ending on the December plan data due date of December 3, 2021, in order to be reflected in the January 2022 payment.

If a plan misses the December 3, 2021 plan data due date, MARx will accept and process plan submitted Part C Premium Changes (TC 78, effective January 1, 2022), until the plan data due date of February 4, 2022.

The 2022 payment/premium configurations will be processed between November 8 and November 11, 2021. After configurations are established, the Part C Premium/PPO transactions will be processed.

No Premiums Due

For enrollees who may have been inadvertently put into a "No Premium Due" status, the "No Premium Due Data File" should be made available during the second full week of November. Plans should wait until then before submitting transactions for those enrollees.

If the Part C premium amount is composed only of elected optional supplemental benefits, and no Part D premium is due, plans should also review the "No Premium Due Data File" to identify enrollees who may have been changed to a "No Premium Due" status.

End of Year Premium and Premium Payment Option processing for CMS-generated rollovers

CMS will process CMS-generated rollover and termination actions on November 2 and 3, 2021. During this time, CMS will move members (or "rollover" membership) between PBPs where necessary and, in some circumstances, between contract numbers as specified in the HPMS Crosswalk.

Because the 2022 CMS-generated rollover process is executed prior to when the 2022 Payment/Premium data is loaded to the MARx databases, the MARx premium process will assess the prior year's Part C premium amount to the new plan's Part C premium amount. If the premium amount is inconsistent between the two plans, MARx will use the minimum Part C premium amount from the new plan and also change the PPO to direct bill. The plan is notified via the DTRR, with a TRC 144 – PPO Changed to Direct Bill, and TRC 182 – Invalid Pt C Premium Submitted Corrected, Accepted.

In these cases, plans should submit both a Part C Premium Change (TC 78) and a Premium Payment Option Change (TC 75) transaction for 2022.

End of Year 2021 Premium Payment Option (PPO) Processing (Transaction Code 75)

New premium withholding requests must be submitted by CMS to either the Social Security Administration (SSA) or Railroad Retirement Board (RRB) for confirmation before taking effect on January 1, 2022.

Plans **must not** submit these transactions before November 8, 2021. Premium Payment Option Change (TC 75) transactions for effective date January 2021 must be submitted to MARx beginning November 8 and end on the December plan data due date of December 3, 2021.

Plan PPO changes submitted to MARx after the plan data due date of December 3, 2021, will be set to "direct bill" for January 2022. The plan will be notified of this via the DTRR, with a TRC 144 – PPO Changed to Direct Bill.

End of Year 2021 Automatic Assignment of Segment IDs in the MARx System

CMS automates the assignment of Segment IDs for segmented MA organizations. Each State and County Code (SCC) in a plan's service area belongs to only one segment. This enables MARx to automate the assignment of Segment IDs according to the residence SCC of the beneficiary. If a plan does not provide a Segment ID, MARx uses the residence SCC to select the appropriate Segment ID. This assigned Segment ID is returned in the DTRR.

If, for the upcoming plan year, the segments of a plan have been redefined, either because segments have been renumbered or SCCs have been mapped to different segments, MARx will automatically generate Segment Change Transactions (Transaction Type 77) to maintain impacted beneficiaries in the appropriate plan segments for the New Year. If a segment terminates at the end of year, MARx will also automatically move impacted beneficiaries to any of the remaining active segments according to their residence SCC.

CMS continues to permit plans to submit Segment IDs as they do now. If the beneficiary is not out of area, MARx uses the submitted Segment ID rather than the system-derived one. If a beneficiary is flagged as out of area for the plan, the MARx system automatically assigns a default Segment ID. This occurs even if the plan submits a Segment ID on the enrollment transaction. When the beneficiary is assigned to a default Segment ID, the plan receives TRC 316 – Default Segment ID Assignment. The default segment will be the segment with the lowest premiums.

Additionally, CMS may change a beneficiary's Segment ID when notified that the beneficiary's address has changed. The newly derived SCC is used to assign the new Segment ID. This activity generates a TRC 317 – Segment ID Reassigned after Address Update. If the new address places the beneficiary out of area for the contract, the beneficiary is assigned the default Segment ID.

If premium withholding is requested on the enrollment transaction or the premium payment option transaction for a beneficiary assigned to a default Segment ID, it will be considered as having an out of area status, and the beneficiary's Premium Payment Option automatically changes to "Direct Bill." This will generate TRC 393 (PPO changed to Direct Bill; Out of Area). However, if a beneficiary with established withholding moves out of area, CMS will report the default Segment ID assignment to SSA/RRB but leave the withholding status unchanged.

CMS alerts MA organizations to default Segment ID assignments and reassignments of Segment IDs due to changes in the SCC through defined TRCs on the DTRR.
- TRC 316, Default Segment ID Assignment
- TRC 317, Segment ID Reassigned after Address Update

The segment assignment process will include service area expansions. If a plan expands the service area of a PBP, MARx will detect this change. If applicable, MARx will move impacted beneficiaries from a default segment to a segment that now contains the SCCs of their addresses and plans will receive TRC 317 – Segment ID Reassigned after Address Update.

Questions or concerns about any of the information within this letter should be directed tothe MAPD Help Desk at MAPDHelp@cms.hhs.gov, or 1-800-927-8069.