

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
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CENTER FOR MEDICARE

DATE: October 30, 2020

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 2020 Payment – INFORMATION

This letter provides information about the November 2020 Medicare Advantage/Prescription Drug payment, which is scheduled for receipt on October 30, 2020.

CY 2019 Part D Payment Reconciliation

The final Part D reconciliation for 2019 is included in the November 2020 payment. The payment adjustments are displayed on the Plan Payment Report (PPR) as Special CMS Adjustments with the type of “PRS.”

PACE ESRD Payment Error in November 2020 Payment

MARx used the non-ESRD national rate (which is the total USPPC for 2020) as a default rate to calculate payments for any new PACE enrollees who have an effective enrollment date of November 2020, or have had a change in status, and who have an ESRD status. CMS will process a data cleanup to recalculate and create payment adjustments for these November 2020 ESRD payments using the appropriate PACE ESRD state rate. These payment adjustments will be included in the December 2020 payments and reported on the December 2020 Monthly Membership Report Data File (MMR) scheduled for distribution on November 20, 2020. These adjustments are separate from the payments adjustments discussed in the October 2, 2020 HPMS memo entitled “Payment Adjustments to PACE Organizations for Calendar Years 2010 - 2020,” which will also be included in the December 2020 payments.

Sequestration

As stated in the May 2020 Medicare Advantage/Prescription Drug System (MARx) Payment memo, released April 22, 2020, Section 3709 of the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”), enacted on March 27, 2020, temporarily suspends sequestration of Medicare programs between May 1, 2020 and December 31, 2020, which we will refer to as the “sequestration suspension period.” As a result, the Centers for Medicare & Medicaid Services (CMS) will suspend the application of the two percent payment reduction that would otherwise apply to Medicare Advantage (MA), Programs of All-Inclusive Care for the Elderly (PACE), Medicare-Medicaid Plans (MMPs), section 1876 and 1833 cost-based Managed Care Organizations (MCO), and Part D payments for enrollment periods that fall within the

given sequestration suspension period. Specifically, for November 2020, CMS will suspend the application of sequestration for the payments made for November 2020 enrollment, and for any adjustments made to payments made for May through October 2020 enrollments. We will continue to apply sequestration to payment adjustments made for months prior to the beginning of the sequestration suspension period.

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. In order 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, 2020 for plan submitters to use both the old and new MARx Batch Input Detail submission files.

Important Notice Regarding End Stage Renal Disease (ESRD) Payment Cases

In July 2019, CMS developed a process to expedite the processing of ESRD payment cases where an ESRD period is missing or incorrect through the Quality Net Help Desk. Effective immediately, the Quality Net Help Desk will no longer accept inquiries nor handle tickets related to correcting ESRD periods.

Going forward, plans should contact the MAPD Help Desk with new ESRD payment cases. The MAPD Help Desk and the Division of Payment Operations (DPO) in the Medicare Plan Payment Group (MPPG) will address tickets relating to missing or incorrect periods that result in incorrect payments for ESRD beneficiaries.

End-of-Year 2020 Part C Premium Processing (Transaction Code 78)

As stated in the September 17, 2020 HPMS letter titled, “End-of-Year 2020 Enrollment and Payment Systems Processing Information,” CMS will 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 2021 premium amount for a plan benefit package – any premiums for basic and mandatory supplemental benefits – from 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 2021 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 9, 2020. Part C Premium Change (TC 78) transactions for effective date January 2021 must be submitted to MARx beginning November 9, 2020, and ending on the December plan data due date of December 4, 2020, in order to be reflected in the January 2021 payment.

If a plan misses the December 4, 2020 plan data due date, MARx will accept and process plan submitted Part C Premium Changes (TC 78, effective January 1, 2021), until the plan data due date of February 5, 2021.

The 2021 payment/premium configurations will be processed between November 9 and November 13, 2020. 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 3 and 4, 2020. 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 2021 CMS-generated rollover process is executed prior to when the 2021 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 2021.

End-of-Year 2020 Premium Payment Option (PPO) Processing (Transaction Code 75)

As stated in the September 17, 2020 HPMS letter titled, “End-of-Year 2020 Enrollment and Payment Systems Processing Information,” 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, 2021.

Plans **must not** submit these transactions before November 9, 2020. Premium Payment Option Change (TC 75) transactions for effective date January 2020 must be submitted to MARx beginning November 9 and end on the December plan data due date of December 4, 2020.

Plan PPO changes submitted to MARx after the plan data due date of December 4, 2020, will be set to “direct bill” for January 2021. The plan will be notified of this via the DTRR, with a TRC 144 – PPO Changed to Direct Bill.

End-of-Year 2020 Automatic Assignment of Segment IDs in the MARx System

As stated in the September 17, 2020 HPMS letter titled, “End-of-Year 2020 Enrollment and Payment Systems Processing Information,” 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, because either 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 to the MAPD Help Desk at MAPDHelp@cms.hhs.gov, or 1-800-927-8069.