

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
Center for Beneficiary Choices  
7500 Security Boulevard, Mail Stop S3-16-16  
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## **MEDICARE PLAN PAYMENT GROUP**

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**DATE:** January 2, 2008

**TO:** All Medicare Advantage Organizations, Prescription Drug Plans, Cost Plans, PACE Organizations and Demonstrations

**FROM:** Thomas Hutchinson /s/  
Director

**SUBJECT: Medicare Advantage Prescription Drug System (MARx) January 2008 Payment – INFORMATION**

This letter provides information related to the January 2008 payment which you will receive on January 2, 2008. It also includes a clarification related to the processing of requests for retroactive transactions.

### Part D Reconciliation

Adjustments related to the 2006 Part D payment reconciliation were processed in the January payment for a small number of plans.

### 2008 User Fees

The user fees for 2008 will be collected from January – September. The National Medicare Education Campaign (NMEC) user fee for MA-PDs is .057% and the total amount to be collected is \$42,600,000. The NMEC user fee for PDPs is .061% and the total amount to be collected is \$19,000,000. The Coordination of Benefits (COB) user fee remains unchanged from 2007; \$.15 for January – August and \$.16 for September. You will see these deductions on your plan payment reports.

### Medicare Secondary Payer (MSP) Deductions

The MSP factors have been updated for 2008 and the deductions will occur beginning with the January payment. These factors are based on data that plans submitted; i.e., all members that responded that they had MSP and all members that failed to respond. CMS checks the MSP status on the MBD for the members that failed to respond. You will see these deductions on your plan payment reports.

### Part D Payment Components on the MMR

It was previously reported to you that the individual Part D payment components did not always equal the Total Part D amount field on the MMR. Plans were told to use the Part D components when reconciling their payments. This problem has been nearly fixed for the

January payment (about a \$40,000 discrepancy nationwide) and will be completely fixed going forward.

Clarification to the Process to Submit Retro Files

The 2008 MARx Operating Calendar has been issued. A new deadline has been added 2 days prior to the plan data due day for requests to process batch retro files in the upcoming payment. The requests must be received by noon, eastern time, to be considered by your DPO representative. Only files that contain effective dates **no older than 3 months** prior to the payment month will be accepted. For example, batch retro requests cannot be older than October 2007 to be included in the December payment cycle; i.e., files submitted 2 days prior to the MARx cutoff day in November.

**Requests for dates between 3 and 6 months** prior to the current payment month must go through the Integriguard streamlined approval process. Currently, depending on how timely the plan submits the required sample data to Integriguard, you should allow about 2 weeks for this process to be completed. Of course, if the review is failed, the process must begin again.

**Requests for dates older than 6 months** prior to the current payment month must be sent to Integriguard because they cannot be considered for the batch retro process. Plans should not be submitting such requests unless there is a documented MARx issue spanning several months that prevents more timely processing.

Please note that the above rules apply only to retroactive enrollment and disenrollment requests. Although it is expected that plans will reconcile and process PBP (transaction type 71) and other plan data changes (transaction type 72) timely, the timeframes defined above could be extended if circumstances warrant.

If you have any questions or issues with items in this letter, please contact your Division of Payment Operations representative per the attached list. Thank you.

Attachment

cc: Mr. Mark Loper, CMS  
Ms. Marla Kilbourne, CMS  
Mr. David Lewis, CMS  
Ms. Cynthia Tudor, CMS  
Ms. Cheri Rice, CMS  
DPO

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