

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Center for Drug and Health Plan Choice
7500 Security Boulevard, Mail Stop S2-22-25
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MEDICARE PLAN PAYMENT GROUP

DATE: November 20, 2009

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) December 2009 Payment – INFORMATION

This letter provides information regarding the December 2009 payment which you will receive on December 1, 2009 as well as other payment process reminders.

Quarterly Medicaid Update

The quarterly update of the default risk adjustment factors for Medicaid status was included in the December payment. The net impact was about \$5.4M paid to the plans. The adjustments will appear on the Monthly Membership Reports (MMRs) with adjustment reason code (ARC) 10.

MSP Status Updates

A cleanup was conducted to set the MSP values for Non-ESRD beneficiaries for 2007 – 2009 and also for newly identified ESRD beneficiaries. There will be no dollar impact for the Non-ESRD beneficiaries but the total impact for the ESRD beneficiary members is approximately -\$16.1M offset from plan payments. ARC 42 was used on the MMRs.

Collection of 2010 User Fees

The collection of the 2010 user fees will begin with the January 2010 payment and continue through the September 2010 payment. The MA-PD National Medicare Education Campaign (NMEC) user fee will be 0.051%. The total user fee amount to be collected is \$51.2 Million. The PDP NMEC user fee will be 0.053%. The total user fee amount to be collected is \$19.4 Million. The annual Part D Coordination of Benefits (COB) user fee will be \$1.89 per member and will be collected at the rate of \$ 0.21 per member per month.

If you have any questions about the information in this letter please feel free to contact your Division of Payment Operations (DPO) representative per the attached list. Thank you.

DPO REGIONAL ASSIGNMENTS

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