

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



**CENTER FOR MEDICARE**

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**DATE:** April 9, 2019

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

**FROM:** Jennifer R. Shapiro, Acting Director, Medicare Plan Payment Group

**SUBJECT:** Medicare Advantage/Prescription Drug System (MARx) April 2019 Payment –  
INFORMATION

This letter provides information about the April 2019 Medicare Advantage/Prescription Drug payment, which is scheduled for receipt on April 1, 2019.

**CY2017 Coverage Gap Discount (CGD) Reconciliation**

The results of the CY2017 CGD reconciliation are included in the April 2019 payment. The adjustments appear on the Plan Payment Reports (PPR) with adjustment type “PRS.”

**2017 Second Final Risk Adjustment Reconciliation**

The second final 2017 risk adjustment reconciliation adjustments are included in the April 2019 payment. The updated risk scores are based on diagnoses with dates of service from January 1, 2016 to December 31, 2016. The payment adjustments will appear on the April 2019 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.

**Second Initial Enrollment Period (IEP) Reset – Transaction Reply Code (TRC) 290**

A MARx data cleanup was conducted involving missing second Initial Enrollment Period (IEP) Number of Uncovered Months (NUNCMO) resets. The data cleanup inserted the missing second IEP NUNCMO resets going back to 2006 in some cases. Plans received Transaction Reply Code (TRC) 290 (IEP NUNCMO RESET) on the 2/12/19 Daily Transaction Reply Report (DTRR) with Cleanup ID CS2998. Plans should use this data to update their systems according to their normal business processes for this TRC. Some of the resulting Late Enrollment Penalty (LEP) refunds appeared on the March 2019 LEP data file that was distributed in February, and the rest appeared in the April 2019 LEP data file that was distributed in March.

**Correction to Payments based on Incorrect Kidney Transplant Dates**

A MARx data cleanup was conducted to correct payments when an incorrect kidney transplant date was stored in MARx. The payment adjustments will appear on the April 2019 Monthly Membership Report (MMR) using Adjustment Reason Code (ARC) 94, with the Cleanup ID of CS1417.

**Correction to Missing Medicaid Periods on MBD**

The MBD performed a data cleanup in its Medicaid database. The data cleanup corrected Medicaid periods and statuses that may have been missing, and corrected data was passed to MARx. Plans should be able to view all periods of Medicaid for their members. Because of this data cleanup, on February 26, 2019, plans may have received a larger volume of the following Medicaid Transaction Reply Code (TRC) records on the Daily Transaction Reply Report (DTRR).

- 077 – Medicaid Status Set
- 078 – Medicaid Status Terminated
- 366 – Community Medicaid Status
- 099 – Medicaid Period Change/Cancellation