

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

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**DATE:** April 30, 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) May 2019 Payment – INFORMATION

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

**2018 Final Risk Adjustment Reconciliation**

The final 2018 risk adjustment reconciliation adjustments are included in the May 2019 payment. The updated risk scores are based on diagnoses with dates of service from January 1, 2017 to December 31, 2017. The payment adjustments will appear on the May 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.

**Beneficiary Level Plan Payments: Not Calculated 2016-2018**

CMS detected a MARx systems issue where a small number of beneficiary-level payments were not calculated nor paid to Medicare Part C and Part D plans for the years 2016 through 2018. Because of the issue, these payments were not displayed on the MARx User Interface (UI) nor the Monthly Membership Detail File (MMR). A MARx data cleanup was conducted to calculate the payment and apply retroactive payment adjustments in the May 2019 payment. These payment adjustments will display on the MARx UI, as well as the May 2019 Monthly Membership Detail File (MMR) using Adjustment Reason Code (ARC) 94 (Special Payment Adjustment Due to Cleanup), with the Cleanup ID of CS1480.

**Original Reason for Entitlement Code (OREC) in the Monthly Membership Report**

In the April 11, 2019 HPMS letter entitled “Announcement of the May 2019 Software Release,” plans were notified that the Original Reason for Entitlement Code (OREC), Field 48, would no longer be populated to the Monthly Membership Report (MMR) beginning with the monthly MARx payment reports scheduled for dissemination on June 21, 2019. CMS has vetted the need for plans to receive the OREC, and determined to continue to populate the data on the MMR data file.

Questions or concerns about any of the information within this letter should be directed to the MAPD Help Desk at [MAPDHelp@cms.hhs.gov](mailto:MAPDHelp@cms.hhs.gov), or 1-800-927-8069.