

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Center for Medicare
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MEDICARE PLAN PAYMENT GROUP

DATE: May 20, 2014

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

FROM: Cheri Rice
Director

SUBJECT: Medicare Advantage Prescription Drug System (MARx) June 2014 Payment – INFORMATION

This letter provides information about the June payment, which is scheduled for receipt on May 30, 2014, and other payment related items that may require plan action.

Coverage Gap Discount (CGD) Offsets

The CGD invoice offsets continue in the June payment. Plans will see two adjustment lines/records on their plan payment reports (PPRs); one for 2013 and one for 2014. These offsets are reported with adjustment type CGD.

Health Information Technology for Economic & Clinical Health Act (HITECH)

Bonus Payments

Plans participating in the Electronic Health Records (EHR) Incentive Program should expect to see the annual incentive payment for 2013 included in the June payment and displayed on the corresponding PPR. The incentive payment is for the Plan's qualifying Medicare Advantage Eligible Professionals, but not for any incentive payments due to qualifying Medicare Advantage Eligible Hospitals under the program. The payment amounts are shown on the PPR with adjustment type HTC. Beginning with the 2013 EHR incentive payments, there will be an additional amount displayed on the PPR with adjustment type HTS. The HTS amount is the sequestration adjustment applied to the EHR incentive payment. The data file contains Adjustment Type codes in field 53.

Frailty Factors for 2014 not included in Payments for Fully Integrated Dual Eligible (FIDE) Special Needs Plans (SNPs)

On April 27, 2014, CMS processed a data clean-up to correct payments involving FIDE SNPs because frailty factors were not included in the 2014 payments. As a result of this clean-up, the 2014 Part A and B payments will be recalculated for the FIDE SNPs using the correct frailty factors. The adjustments will be made and reported in the June 2014 Monthly Membership Report. The adjustments will appear with adjustment reason code (ARC) 18 – Part C Rate Change and cleanup identifier RT2687589.

Cleanup to Correct Internal MARx Code

On April 15, 2014, CMS notified impacted plans about a cleanup that was completed to correct an internal system code that was preventing the calculation of accurate payments and processing of premium withhold requests. To correct the systems code, the impacted beneficiaries had their enrollments cancelled and reinstated by MARx. To prevent confusion and unintended results in Plan systems, the Transaction Reply Codes (TRCs) caused by this cleanup were suppressed.

Payment adjustments created by this cleanup appear on the June Monthly Membership Reports (MMRs) with ARC 03 – Retroactive Disenrollment and ARC 02 – Retroactive Enrollment. A cleanup identifier of RT2525943 will be associated with these adjustments.

Cleanup to Correct Payments for Beneficiaries with Cross-Reference (XREF) Health Insurance Claim Number (HIC#) Merges

A problem was discovered when MARx was processing XREF HIC# merges. Payments were not being computed for some of the enrollments or using some of the factors related to the active HIC#. A software fix was implemented in July 2013. A cleanup was completed which recalculated the payments for impacted beneficiaries. Adjustments appear on the June MMRs with ARC 94 – Special Adjustment Due to Cleanup and Cleanup Identifier RT2260344.

cc: DPO Representatives
Director, DPO
MAPD Customer Support

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