

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



CENTER FOR MEDICARE

DATE: December 27, 2024

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

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

SUBJECT: Medicare Advantage/Prescription Drug System (MARx)
January 2025 Payment – INFORMATION

This letter provides information about the January 2025 Medicare Advantage/Prescription Drug payment, which is scheduled for receipt on January 2, 2025, and other payment related items that may require plan action.

Reopening of the 2019 Final Part D Payment Reconciliation

CMS has completed the calculations for the reopening of the 2019 Final Part D Payment Reconciliation and the results are included in the January 2025 payment. They appear on the Plan Payment Report (PPR) as a special adjustment type “PRS.”

MARx Data Cleanup: Payments Out of Sync with Enrollments

A data cleanup was conducted in MARx to fix payments that were out of sync with enrollments. Specifically, during late 2023 and early 2024, in some instances when a beneficiary changed plans the previous plan was paid for the first month of enrollment in the new plan. The payment adjustments for this cleanup will be in the January 2025 MMR with Adjustment Reason Code (ARC) 94 (Adjustment Due to Cleanup Activity) and Cleanup ID CS1975228.

Part C and D Premium Withhold and Part B Premium Reduction in MARx

CMS identified a MARx software issue where updates to the Premium Payment Option (PPO) for Part C/D premium and Part B premium reduction records are not being sent to the SSA causing incorrect premium amounts to be withheld from beneficiary SSA benefits for portions of 2024 and January 2025. CMS is actively working on addressing the issue so that beneficiaries will have the correct premium payment option and premium amounts updated at the SSA in time for their February or March 2025 SSA benefit disbursement. As the data cleanups are processed, CMS will notify plans that updates were sent to the SSA and premium amounts will be

retroactively adjusted. In most cases, beneficiaries are going to be due a refund, which we anticipate will be applied to their SSA benefits as early as February 2025.

National Medicare Education Campaign (NMEC) User Fees for 2025

Per section 1857(e)(2) of the Social Security Act (“the Act”), plans will be charged cost-sharing for enrollment related costs (the NMEC fee). CMS will begin collecting the monthly FY 2025 user fees in the January payment. The National Medicare Education Campaign (NMEC) user fee for MA-PD plans will be 0.023% for a total amount collected of \$111.1 million. The NMEC user fee for PDPs will be 0.024% for a total amount collected of \$9.7 million.

Conversion of MARx to Amazon Web Services (AWS)

In July 2023, the MARx system successfully cut over from its mainframe-based architecture and currently is processing enrollment, premium, and payment information in a newly designed AWS cloud-based environment. Although the conversion was a success, we are aware of discrepancies that are affecting payment or reporting. This includes, for example, instances where MARx calculated payment using incorrect Part C and Part D risk scores. CMS is actively working to address these issues in future software fixes and data cleanups, prioritizing based on the nature and impact of the cleanup and will communicate with plans as we work through the cleanups. If you have already submitted a trouble ticket, no further action is required by the plan. If you have been informed by the help desk that your ticket has been consolidated under a “master ticket,” that means we are aware of an issue or concern affecting multiple organizations. Knowing how many organizations are reporting the same problem under the master ticket allows us to assess the scale of the problem and helps us prioritize the fix to the issue. Questions regarding the MARx system can be sent to mapdhelp@cms.hhs.gov.

Sequestration Suspension

While the suspension of sequestration has ended, as required by the statute, we continue to apply the suspension of sequestration for retroactive payment adjustments made for the months of May 2020 through March 2022 and will sequester 1 percent of retroactive payment adjustments made for the months of April 2022 through June 2022 and 2 percent of payments and adjustments for months beginning with July 2022.

If you have any questions or concerns about any of the information within this letter, or wish to inquire about the adjustment going into the November payment for your plans, please contact the MAPD Help Desk at mapdhelp@cms.hhs.gov, or 1-800-927-8069.