

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services  
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Baltimore, Maryland 21244-1850



**CENTER FOR MEDICARE**

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**DATE:** September 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)  
October 2024 Payment – INFORMATION

This letter provides information about the October 2024 Medicare Advantage/Prescription Drug payment, which is scheduled for receipt on October 1, 2024, and other payment related items that may require plan action.

**2016 Risk Adjustment Reconciliation Rerun**

Included in the October 2024 payment are adjustments from a risk adjustment reconciliation rerun for payment year (PY) 2016. These adjustments are the result of risk scores that have been updated to reflect data corrections and updates made to the MAO-004 reports, Risk Adjustment Processing System (RAPS) edits, and a correction to the way rounding was applied in the risk score calculations.

These corrections and updates have been described in the following HPMS memos and user group:

- *Updated Version of the MAO-004 Reports (Phase IV Version 0) and Re-issuing of the Historical MAO-004 Reports in the New Version*, published on July 21, 2020,
- *Risk Adjustment Processing System (RAPS) and Risk Adjustment System (RAS) Updates*, published October 2, 2020, and
- August 15, 2019 “Risk Adjustment for EDS & RAPS User Group” on Slides 10-15

Also included in the PY 2016 risk adjustment reconciliation rerun are adjustments related to closed-period deletes in RAPS and EDPS (i.e., diagnoses deleted after the deadline for final reconciliation payments) with dates of service from January 1, 2015 to December 31, 2015, successfully submitted by 8:00 PM ET, Friday, May 31, 2024. For more information, please refer to the *Rerun of Payment Year (PY) 2016* HPMS memos dated December 6, 2022, December 22, 2022, and April 30, 2024. The payment adjustments will appear on the October 2024 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.

### **Medical Loss Ratio (MLR) Remittances for 2022 in the September 2024 Payment**

The 2022 MLR remittances adjustments were included in the September 2024 payment. They appeared on the Plan Payment Report (PPR) with an adjustment type code “MLR.” For more information on 2022 remittances, please refer to the HPMS memo from Jennifer R. Shapiro dated 1/4/2023 titled, “Update regarding Medical Loss Ratio Data Form and Attestation Submission for Contract Year 2022.”

### **Coverage Gap Discount (CGD) Invoice Offsets**

The CGD invoice offsets resume in the October 2024 payment. There are offsets for 2023 and 2024. They appear in separate lines on the Plan Payment Report (PPR) with an adjustment type code “CGD.”

### **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 of the cleanup and the impact 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](mailto: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.

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.