

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



CENTER FOR MEDICARE

DATE: August 31, 2023

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) September 2023
Payment – INFORMATION

This letter provides information about the September 2023 Medicare Advantage/Prescription Drug payment, which is scheduled for receipt on September 1, 2023.

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, CMS identified two discrepancies in the September payment calculation, which are reflected in the data populated on the September 2023 Monthly Membership Data File (MMR).

1. Part C overpayments involving Medicare Secondary Payer (MSP) statuses: In some cases, prospective payment and retroactive adjustments involving MSP statuses are not reducing the Part C payment and causing an overpayment to the plan. For retroactive adjustments, ARC 42 (Retroactive MSP Status) is populated to the MMR.
2. Incorrect ARC issued on MMR for a deceased beneficiary: In some cases, MARx is applying an ARC 46 (Correction of Part D Eligibility) instead of ARC 01 (Notification of Death of Beneficiary) on the MMR when retroactively adjusting Part C/D payments involving deceased beneficiaries. Payment adjustment amounts are correctly calculated for these records.

CMS is actively working toward implementing a future software fix and data cleanup and will communicate with plans upon implementation.

National Medicare Education Campaign (NMEC) / Coordination of Benefits (COB) Final Adjustment on User Fees for 2023

Per section 1857(e)(2) of the Social Security Act, plans will be charged cost-sharing for enrollment-related costs (the NMEC fee). For the September payment only, in order to finish collecting the required MA-PD National Medicare Education Campaign (NMEC) user fee of \$100.1M and the PDP NMEC user fee of \$10.6M in FY 2023, the collection percentages have changed for the September payment. The percentage used for the MA-PD NMEC was

decreased from 0.027% to 0.021%, and the percentage used for the PDP NMEC was raised from 0.029% to 0.055%. The monthly Coordination of Benefits (COB) user fee rate remains the same at \$0.1166 cents per Part D member.

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, or 1-800-927-8069.