

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



CENTER FOR MEDICARE

DATE: March 28, 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) April
2024 Payment – INFORMATION

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

CY2022 Coverage Gap Discount (CGD) Reconciliation

The CGD reconciliation payment adjustment for 2022 is included in the April 2024 payment. The payment adjustments will be displayed on the Plan Payment Report (PPR) as Special CMS Adjustments with the TYPE “PRS.”

Synchronizing Low Income Subsidy Periods with SSA

On November 8, 2023, a data cleanup was conducted to correct open-ended LIS periods that were out of sync with SSA records. New end dates to LIS periods were retroactively populated and plans received Transaction Reply Codes (TRC) 121 (Low Income Period Status) and 223 (Low Income Period Removed from Enrollment Period) on the November 10, 2023, Daily Transaction Reply Report (DTRR).

The November 8, 2023 data cleanup caused unanticipated beneficiary impact, resulting in some beneficiaries being notified of retroactive premium and/or cost-sharing amounts due. Because this beneficiary impact was a direct consequence of government data systems being out of sync, CMS is working through a process to resolve this issue.

Due to the timing of this issue coming to light, we understand that some beneficiaries have already received invoices from Part D plans requesting that they pay retroactive premium and cost-sharing amounts. Additionally, some plans may have updated their systems to begin

administering the Part D benefit with respect to the affected beneficiaries with non-LIS premiums and cost-sharing.

CMS requests that, until you receive further notification from CMS, MA organizations and Part D sponsors pause any collection efforts for Part D premiums or cost-sharing for the beneficiaries impacted by the November 8, 2023 cleanup. Further, to the extent possible, we request that plans continue to administer the Part D benefit with respect to the affected beneficiaries with LIS-level premiums and cost-sharing by disregarding the Transaction Reply Codes (TRC) 121 (Low Income Period Status) with retroactive LIS end dates received on the November 10, 2023 DTRR file or taking other, similar action. We recognize that this approach may result in Prescription Drug Event (PDE) submissions that are rejected. Plans will be notified when these rejected PDEs can be resubmitted.

The 2024 payment to Part D plans will continue to reflect LIS status for beneficiaries as shown on the November 10, 2023 DTRR. CMS expects these payment reductions to be reversed once CMS has established a process to grant beneficiaries relief.

We apologize for this error and the inconvenience and confusion this has caused. Additional instructions will be forthcoming. Questions regarding this message can be sent to mapdhelp@cms.hhs.gov.

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, there have been discrepancies since the September 2023 payment month. Some issues affect payment, but some only affect reporting.

We apologize for the inconvenience and confusion this has caused. CMS is actively working toward implementing future software fixes and data cleanups 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.

Additional instructions will be forthcoming. Questions regarding this message 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.

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.