

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Center for Medicare
7500 Security Boulevard, Mail Stop C1-13-07
Baltimore, Maryland 21244-1850



MEDICARE PLAN PAYMENT GROUP

DATE: January 26, 2015

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) February 2015 Payment – INFORMATION

This letter provides information about the February payment, which is scheduled for receipt on January 30, 2015, and other payment related items that may require plan action.

2009 Part D Reopening

CMS has completed the calculations for the reopening of the 2009 Final Part D Reconciliation and the results are included in the February payment. They appear on the Plan Payment Report (PPR) as CMS special adjustment type “PRS”.

November 2014 Software Release Information

Due to issues encountered from the installation of the November 2014 software release, problems occurred in creating adjustments for beneficiaries with retroactive status changes. Plans will see the following issues on the February MMR.

Part D Payment Components do not Match Total Part D Amounts on the Monthly Membership Report (MMR)

The sum of the Part D payment components does not always equal the Part D Totals. The amounts in the individual payment component fields match what is paid to the plans; the Total amounts do not. In order to reconcile, plans should use the data populated in the individual component fields instead of the Total amounts. (Refer to Section 5.2.2 in the Plan Communications Users Guide – Calculation of the Total Part D Payment)

Reporting Issue on the MMR for Adjustment Reason Codes (ARCs); Part C Rate Change (ARC 18) and Part D Rate Change (ARC 36)

Due to the November 2014 software release, incorrect payment components were included to calculate some of the payment adjustments. To clarify, MARx created Part D amounts for ARCs that only apply to Part C, and Part C amounts for ARCs that only apply to Part D. The method used to reverse these incorrect components resulted in producing the ARCs 18 and 36. While a cost plan will see ARC 18 when their payment rate changes; these ARCs would not normally appear on the MMR. The following is an example of the method MARx used to reverse the invalid dollar components of some adjustments.

Example

XXX-XX-XXXXA

ARC 31 – Retroactive Part D Low Income Premium Subsidy Change

\$10 Part A \$10 Part B \$10 Part D

The Part A/B amounts are invalid for this ARC. To reverse them, Marx created

ARC 18 – Part C Rate Change

- \$10 Part A -\$10 Part B

Plans should note that the reversing of ARCs 18/36 could, in rare cases, be associated with adjustments on the January MMR. Software fixes have been installed that will greatly reduce the occurrence of these ARCs, although plans may continue to see very low volumes of these adjustments on the February and March MMRs.

Missing Late Enrollment Penalty (LEP) Amounts for Directly Billed Beneficiaries

Due to a MARx systems issue, adjustments to LEP for directly billed beneficiaries were missing from the January payment. The issue has been resolved. The February LEP report and Plan Payment Report (PPR) will contain LEP amounts for January and February.

Incorrect End Stage Renal Disease (ESRD) Medicare Secondary Payer (MSP) Factor

As announced in the 2015 Call Letter, the ESRD MSP factor is .215. This factor has not yet been loaded into MARx, so the 2014 value of .189 is still being used. Plans will be notified when the 2015 factor is loaded and when a re-calculation of impacted ESRD MSP payments will occur.

2015 User Fees

The FY 2015 user fee collections resume in the January – September 2015 payments. The National Medicare Education Campaign (NMEC) user fee for MA-PD plans will be 0.044%; the total amount to be collected is \$59 million. The NMEC user fee for PDPs will be 0.041%; the total amount to be collected is \$17.5 million.

The Coordination of Benefits (COB) user fee will be \$0.136 per Part D member per month. Due to a display issue on the Plan Payment Report (PPR), the COB user fee rate will appear rounded as 0.14, although the calculation is using the correct rate of 0.136.

cc: DPO Representatives
Deputy Director, DPO
MAPD Customer Support

**CENTERS FOR MEDICARE
MEDICARE PLAN PAYMENT GROUP
DIVISION OF PAYMENT OPERATIONS (DPO)
REGIONAL REPRESENTATIVES – 2015**

Boston and Kansas City	Terry Williams (410) 786-0705 Terry.Williams@cms.hhs.gov
New York, Demos/PACE	William Bucksten (410) 786-7477 William.Bucksten@cms.hhs.gov
Philadelphia	James Krall (410) 786-6999 James.Krall@cms.hhs.gov
Atlanta	Louise Matthews (410) 786-6903 Louise.Matthews@cms.hhs.gov
Chicago	Mary Stojak (410) 786-6939 Mary.Stojak@cms.hhs.gov
Dallas	Michelle Page (410) 786-6937 Michelle.Page@cms.hhs.gov
San Francisco And Denver	Kim Miegel (410) 786-3311 Kim.Miegel@cms.hhs.gov
Seattle	Sharon Rochester (410) 786-7607 Sharon.Rochester1@cms.hhs.gov
DPO Deputy Director	Ed Howard (410) 786-6368 Edgar.Howard@cms.hhs.gov