

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
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MEDICARE PLAN PAYMENT GROUP

DATE: May 22 , 2015

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

FROM: Cheri Rice /s/
Director, Medicare Plan Payment Group

SUBJECT: Medicare Advantage Prescription Drug System (MARx) June 2015 Payment – INFORMATION

This letter provides information about the June payment, which is scheduled for receipt on June 1, 2015, and other payment related items that may require plan action.

Number of Uncovered Months (NUNCMO) Cleanups – Release Beneficiaries for Transmission

As stated in previous Plan Payment Letters, CMS processed a number of data clean-ups involving NUNCMO and the Late Enrollment Penalty (LEP). Impacted beneficiaries were placed in a “pending” state and not sent to SSA/RRB and when plans submitted transactions for these beneficiaries, a TRC 222, BENE EXCLUDED FROM TRANSMISSION TO SSA/RRB was received. Placing the beneficiaries in a “pending” state was to prevent some of these beneficiaries’ premium payment options from being erroneously changed to Direct Bill and to prevent CMS from potentially erroneously paying out refunds for multiple years.

In May 2015, a number of beneficiaries with 2014, 2013 and 2012 updates have been sent to SSA/RRB. The beneficiaries continue to be analyzed, and if there is no financial harm, their records continue to be released from CMS (MARx) to SSA/RRB for updating. As CMS works through the remaining population, updates will be provided in subsequent monthly Plan Payment Letters.

**Health Information Technology for Economic & Clinical Health Act (HITECH)
Bonus Payments for 2014**

Plans participating in the Electronic Health Records (EHR) Incentive Program should expect to see the annual incentive payment for 2014 included in the June 2015 payment and displayed on the corresponding Plan Payment Report (PPR). The incentive payment included on the PPR is for the Plan’s qualifying Medicare Advantage Eligible Professionals, and not for any incentive payments due to qualifying Medicare Advantage Eligible Hospitals under the program.

This payment amount is shown on the PPR and will contain an adjustment type of “HTC” in Field 53. Also, the adjustment type “HTS” in Field 53 will represent the sequestration adjustment amount applied to the EHR incentive payment.

HITECH Bonus Payment Adjustments for 2013 and 2011

Several Plans participating in the EHR Incentive Program will receive adjustments to their 2011 and/or 2013 incentive payments in the June 2015 payment. The incentive payment adjustment is for the Plan’s Medicare Advantage Eligible Professionals, and not for any incentive payments made to Medicare Advantage Eligible Hospitals under the program.

This payment amount is shown on the PPR and will contain an adjustment type of “HTC” in Field 53. Also, the adjustment type “HTS” in Field 53 will represent the sequestration adjustment amount applied to the EHR incentive payment.

The Retro Processing Contractor (RPC) and End Stage Renal Disease (ESRD) Forms

Effective immediately, when trying to reconcile ESRD statuses for beneficiaries, Plans are no longer required to submit the Form 2728 to the Retroactive Processing Contractor (RPC). If Plans have concerns or questions about ESRD payments or a beneficiary’s ESRD status change/update, please contact the MAPD Help Desk to open a Remedy ticket. A DPO representative will contact the Plan and request the necessary information or forms to expedite the resolution of a beneficiary’s ESRD status.

Beneficiaries With 2015 Premium Withhold Updates Not Sent to SSA

During the End of Year processing, transactions for beneficiaries with 2015 premium withhold updates were not sent to SSA. In late March 2015, a batch of transactions for beneficiaries was sent to SSA and another batch was sent on May 18, 2015. Plans can expect to see the premium payments in their July 2015 payment.

For transactions that may have been rejected by SSA due to Harm Limit Exceeded or Insufficient Finds, Plans can expect to see TRC 144 (PPO Changed to Direct Bill) on the Daily Transaction Reply Reports (DTRR) received near the end of May 2015. If 2015 premiums were incorrectly withheld for the 2014 Plan, they will be refunded and Plans will have to directly bill these members for the past months in 2015.

Note: Premium Withhold requests/transactions can be submitted to MARx for only prospective months.

Incorrect Part D Payment Rate for California Medicare-Medicaid Plans

The 2014 Part D Payment Rate was set incorrectly for California MMPs that activated in April 2014. This rate (used to calculate Part D Direct Subsidy Payments) was set to \$70.70 instead of \$75.88 (the correct NAMBA rate). For example, for an enrollee with a 1.0 Part D Risk Score, the

Part D Direct Subsidy Payment would have been underpaid by \$5.18 for any enrollment months in 2014. Corrections to these 2014 Part D rates have been prepared.

In the May 2015 Plan Payment Letter, CMS mentioned it planned on having the payment adjustments in time for the June 2015 MMR. CMS has postponed the payment adjustments to appear on the July 2015 MMRs under ARC 36 (Part D Rate Change).

For questions or concerns related to any of the processes mentioned in this Plan Payment Letter, Plans are encouraged to contact the MAPD Help Desk at 1-800-927-8069 or e-mail at mapdhelp@cms.hhs.gov.

cc: DPO Representatives
Deputy Director, DPO
MAPD Customer Support