

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Center for Medicare
7500 Security Boulevard, Mail Stop C1-13-07
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MEDICARE PLAN PAYMENT GROUP

DATE: March 20, 2014

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) April 2014 Payment – INFORMATION

This letter provides information about the April payment, which is scheduled for receipt on April 1, 2014, and other payment related items that may require plan action.

Long Term Institutional (LTI) Update

During 2010 and 2011, the LTI status for some beneficiaries was not correct in CMS' systems. The LTI flags were recently updated to reflect the appropriate LTI status, and the results will be included in the April payment. Plans will see the adjustments on their Monthly Membership Reports (MMRs) under adjustment reason code (ARC) 25 - Part C Risk Adjustment Factor Change/Recon, and ARC 37 – Part D Risk Adjustment Factor Change.

Incorrect Cost Plan Rates Used in January 2014 Payment

Due to a MARx system error, an incorrect rate was used to calculate the January 2014 payment for some members of some cost plans. CMS recently conducted a cleanup to correct the issue, and the resulting adjustments will be included in the April payment. Impacted cost plans will see the corrections on their MMRs with ARC 18 – Part C Rate Change, and the clean-up identifier 2646397.

cc: DPO Representatives
Director, DPO
MAPD Customer Support

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