

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: June 23, 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) July 2014 Payment
– INFORMATION**

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

Final 2013 Risk Adjustment Reconciliation

The final 2013 risk adjustment reconciliation impacts are included in the July 2014 payment. The updated risk scores are based on diagnoses with dates of service from January 1, 2012 to December 31, 2012. 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.

Please note that the mid-year risk score updates for payment year 2014 will be included in the August 2014 payment.

CMS changed the order of the final and mid-year risk adjustment reconciliations for operational reasons. In the future, CMS will run the final risk scores earlier in the year in order to provide plans with final risk scores in the annual file that is sent to support the bidding process.

Payment Recalculation for End Stage Renal Disease (ESRD) Beneficiaries

CMS processed a data clean-up to correct an issue related to MARx payments not properly matching ESRD periods. As a result of this cleanup, impacted plans will see adjustments on their MMRs with ARC 94 – Adjustment due to Cleanup Activity and a cleanup ID of 2106239F.

cc: DPO Representatives
Director, DPO
MAPD Customer Support

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