

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: November 23, 2011

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

FROM: Cheri Rice /s/
Director

**SUBJECT: Medicare Advantage Prescription Drug System (MARx) December 2011
Payment – INFORMATION**

This letter provides information regarding the December payment, scheduled for receipt on December 1, 2011, and other payment related items that may require plan action.

Quarterly Medicaid Update

The quarterly update of the default risk adjustment factors for Medicaid status was included in the December payment. The Daily Transaction Reply Reports (DTRR) display TRC 077 – MEDICAID STATUS SET for impacted members. The adjustments display on the Monthly Membership Report (MMR) with Adjustment Reason Code (ARC) 10 – RETROACTIVE MEDICAID STATUS.

Low-Income Premium Subsidy (LIPS) Cleanup

Some plans were not receiving LIPS payments for their Low Income Subsidy (LIS) members. The MARx system processed a data clean up which corrected and paid the LIPS to the affected plans. The resulting adjustments display on the MMR with ARC 31 – RETRO CHANGE TO PART D LIPS. Other LIPS related payments are scheduled to be corrected in future months.

Plan Communications User Guide

Version 6.0 of the Guide was released on November 17, 2011 and is available on the MAPD Website at the following link:

www.cms.hhs.gov/MAPDHELPdESK/02_Plan_Communications_User_Guide.asp. This update includes the software and report changes from the April and November 2011 releases. Refer to the Change Log on page iii in the Guide for a summary of the 6.0 changes.

Retroactive ESRD Status in September Payment

In the October payment letter, CMS requested plans to send examples of ESRD payment issues to the Division of Payment Operation's mailbox, CPC_DPO@cms.hhs.gov. The examples were used to research ESRD payments made for members without ESRD, and have assisted the MARx contractor in developing cleanups to recoup the erroneous payments. We expect an initial correction of the data to be processed and included in the March 2012 payment.

No additional information is needed for research so plans are asked to discontinue sending information to the DPO mailbox. CMS appreciates the assistance and your cooperation in this effort. More details regarding the data corrections will be provided in a future payment letter.

2012 User Fees

The Fiscal Year 2012 user fee collections will resume in January. The Coordination of Benefits (COB) user fee will be \$.18 per Part D member per month from January to September. The National Medicare Education Campaign (NMEC) user fee for MAPD plans will be .048% and the total amount to be collected is \$47.6 Million. The NMEC user fee for Part D Sponsors will be .049% and the total amount to be collected is \$18.2 Million.

Please contact the appropriate DPO Representative (list attached) with questions about information in this letter or assistance with other payment or premium related issues. Thank you.

cc: DPO Representatives
Director, DPO
MAPD Customer Support

DIVISION OF PAYMENT OPERATIONS (DPO)
REGIONAL ASSIGNMENTS

Boston and Kansas City:	Terry Williams (410) 786-0705 Terry.Williams@cms.hhs.gov
New York and PACE Plans:	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:	Janice Bailey (410) 786-7603 Janice.Bailey@cms.hhs.gov
Dallas And Demos:	Mary Stojak (410) 786-6939 Mary.Stojak@cms.hhs.gov
San Francisco And Denver	Kim Miegel (410) 786-3311 Kim.Miegel@cms.hhs.gov
Seattle	Shawanda Perkins 410-786-7412 Shawanda.Perkins@cms.hhs.gov
DPO Director	Marla Kilbourne (410) 786-7622 Marla.Kilbourne@cms.hhs.gov