

DEPARTMENT OF HEALTH &
HUMAN SERVICES
Centers for Medicare & Medicaid
Services 7500 Security Boulevard
Baltimore, Maryland 21244-1850



CENTER FOR MEDICARE

DATE: September 28, 2023

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

FROM: Jennifer R. Shapiro, Director, Medicare Plan Payment Group

SUBJECT: Medicare Advantage/Prescription Drug System (MARx) October 2023
Payment – INFORMATION

This letter provides information about the October 2023 Medicare Advantage/Prescription Drug payment, which is scheduled for receipt on September 29, 2023.

Coverage Gap Discount (CGD) Invoice Offsets

The CGD invoice offsets resume in the October 2023 payment. There are offsets for 2022 and 2023. They appear in separate lines on the Plan Payment Report (PPR) with an adjustment type code “CGD.”

Clarification about Medical Loss Ratio (MLR) Remittances for 2020 and 2021 in the August 2023 Payment

For plans that were required to pay 2021 MLR remittances, these adjustments were included in the August 2023 payment. They appeared on the Plan Payment Report (PPR) with an adjustment type code “MLR.” For more information on 2021 remittances, please refer to the HPMS memo from Jennifer R. Shapiro dated 1/3/2022 titled, “Medical Loss Ratio Data Form and Attestation Submission Reminder for Contract Year 2021.”

For CY 2020 and 2021 MLR reporting, due to the Part B Premium Reduction data issue described in the HPMS memo from Jennifer R. Shapiro dated 06/28/2022 titled, “MA Rebates allocated to Part B Premium Reduction and Medical Loss Ratio for Contract Years 2020 and 2021,” any adjustments were included in the August 2023 payment and also appeared on the PPR with an adjustment type code “MLR.”

Sequestration Suspension

While the suspension of sequestration has ended, as required by the statute, we continue to apply the suspension of sequestration for retroactive payment adjustments made for the months of May 2020 through March 2022 and will sequester 1 percent of retroactive payment adjustments made for the months of April 2022 through June 2022 and 2 percent of payments and adjustments for months beginning with July 2022.

Questions or concerns about any of the information within this letter should be directed to the MAPD Help Desk at mapdhelp@cms.hhs.gov, or 1-800-927-8069.