



MEDICARE PLAN PAYMENT GROUP

DATE: January 23, 2009

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

FROM: Thomas Hutchinson /s/
Director

SUBJECT: Medicare Advantage Prescription Drug System (MARx) February 2009 Payment – INFORMATION

This letter provides information related to the February 2009 payment scheduled for January 30, 2009.

Transaction Reply Code (TRC) 222

The creation of TRC 222 was part of the December 2008 MARx software release. However, the description of the new code was inadvertently left out of the update to the Plan Communications User Guide. Plans will see this code on rare occasions when a specific beneficiary's data is temporarily blocked from being sent to SSA/RRB. This situation occurs when CMS and SSA/RRB have data discrepancies about the beneficiary that require resolution before a transaction will process correctly. Plans may resubmit the transactions at a later date.

The language associated with TRC 222 is, "SSA/RRB EXCLUDE – CMS has excluded the beneficiary from transmission to SSA/RRB".

Cost Plan Rate Changes Not Updated

Some cost plans were scheduled to receive updates to their payments based on new rates effective for January and February 2009 in the February payment. The new rates were used for payment of the newly enrolled members; existing members continued to be paid at the old rate. This error is being corrected and the results of the cleanup will be reflected in the March 2009 payment.

ESRD MSP Cleanup

A cleanup to align the MARx ESRD MSP data to the Other Insurer data in the MBD was processed and the results included in the February payment. You will see the resulting adjustments on the MMR associated with adjustment reason code 42. The clean up this month only addressed discrepancies for 2008. Other prior years will be addressed at a later date.

Part D Premium Amount Discrepancies Between Payment Reports

Some plans have reported differences between the total Part D premiums reported on the Plan Payment Report (PPR) and the Monthly Premium Withholding Report (MPWRD). The reporting discrepancies were caused by the net negative monthly payments some plans have experienced due to the deduction of the 2007 Part D reconciliation amounts. When the net payment to the plan is not positive, the reported LIS and Part D premiums are "withheld" from payment. When the net payment becomes

positive, the accumulated “withheld” amounts are then paid. Since the amount on the PPR is the accumulated amount, it will differ from the monthly amount reported on the MPWRD.

Attached is a spreadsheet that plans can use to reconcile the accumulated Part D premium amounts reported on the PPR. Depending on the size of the Part D reconciliation amount to be offset, this situation could occur for multiple months.

If you have any questions about the information in this letter please feel free to contact your DPO representative per the attached list. Thank you.

Attachments

cc: Ms. Cheri Rice, CMS
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