

DATE: May 28, 2008

**Centers for Medicare & Medicaid Services
Office of the Administrator
Center for Drug and Health Plan Choice**

**Medicare Plan Payment Group
(FAEP)**

- Develops and improves all bidding and payment policies related to the Medicare Prescription Drug Benefit and the Medicare Advantage (MA) program for the individual and employer sponsored group market, including rules regarding how plans are to structure their bids, bid review criteria, benchmark computations, use of beneficiary rebates, development and refinement of risk adjustors, low income subsidy, reinsurance, risk sharing, and the MA regional stabilization fund.
- Directs all operations, policy, and research related to risk adjustment of payments to MA Organizations and Prescription Drug Plans.
- Serves as business owner for the following data collection and processing systems: Medicare Advantage-Prescription Drug, Premium Withhold, Payment Reconciliation, Drug Data Processing, Automated Plan Payment and Risk Adjustment.
- Validates payments to Prescription Drug Plans and MA Organizations, including routine annual risk adjustment data validation based on medical record review.
- Manages, in coordination with the Office of the Center Director and the Office of Information Services, the Part D and MA change control board.
- Coordinates the development and management of business requirements for the national systems for payment of the Part D prescription drug and MA organizations. Provides operational and technical support to managed care organizations, contractors, CMS staff and other stakeholders on prescription drug benefit, and Medicare managed care payment systems.
- Communicates policy and operational information to Parts C and D plan sponsors.
- Serves as the focal point for all Agency interactions with employers, unions, employees, retirees and others operating on their behalf pertaining to issues related to Agency regulations, guidance, operations, as well as outreach and education activities concerning the Retiree Drug Subsidy (RDS) Program. Develops national policy and oversees operational implementation for all issues related to the RDS Program, a system of payments to employer and union sponsors of qualified retiree prescription drug plans.

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**Medicare Plan Payment Group
(continued)**

- In collaboration with the Center for Drug and Health Plan Choice's Business Operations Staff and the Office of Acquisition and Grants Management, develops and negotiates procurement contracts which include the development of contractor specifications, work statements, and evaluation criteria to support Group programmatic functions, as needed. Evaluates, assesses, and monitors contractors' performance to ensure compliance with contractor requirements and the Federal Manager's Financial Integrity Act.