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Network Health Sequestration Policy-Medicare Advantage*Values*

Accountability • Integrity • Service Excellence • Innovation • Collaboration

Abstract Purpose:

This guideline outlines Network Health’s policy for the Medicare Advantage line of business regarding the implementation of sequestration, as defined by the Centers for Medicare and Medicaid (CMS).

Policy Detail:

Effective with dates of discharge on or after April 1, 2013 through April 30, 2020, the Centers for Medicare and Medicaid (CMS) announced a two percent (2%) reduction in Medicare claims payment. This reduction applies to physician, facility, ancillary and all other reimbursement for Network Health Plan’s Medicare Advantage membership.

This reduction is applied after the claims adjudication system has determined member cost share, i.e.; deductible, coinsurance and copay amount as well as any coordination of benefit amounts.

Claims Adjustment Reason Code (CARC) “253/Sequestration-reduction in federal payment” will be added to each claim line indicating sequestration was applied.

Effective with dates of service May 1, 2020 through March 31, 2021, the two percent (2%) reduction in Medicare claims payment will be waived per Section 3709 of the Coronavirus Aid, Relief and Economic Security (CARES) Act.

Regulatory Citations:

Section 3709 of the CARES Act

Origination Date: May 1, 2020	Approval Date: May 20, 2020	Next Review Date: June 1, 2021
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