



Attention Providers Submitting Medicare/Medicaid Crossover Claims: Sequestration Reduction is Provider Responsibility

In 2013, Medicare imposed a 2% reduction in Medicare payments (sequestration). This reduction applies to both Medicare and Medicare Advantage Plan payments to providers of services. Therefore, for services provided under assignment, the reduced Medicare payment would be considered *payment in full to the provider* (meaning that the provider's payment receives the 2% reduction). The patient responsibility amount remains unchanged. All Medicare/Medicaid claims are 'assigned' claims.

It has come to the Department's attention that some providers are incorrectly completing the Medicare Advantage key sheets for submission to Medicaid by including the 2% reduction amount in either the Medicare 'Paid' field or the Patient Responsibility field on the key sheet. We have also received calls from some providers asking why the 2% reduction was not taken into consideration when processing Medicare Crossover claims submitted Medicaid. As indicated above, the 2% reduction is subtracted from a provider's payment and cannot be included as a part of the Medicare payment amount or the patient responsibility amount.

Please ensure that claims and Medicare Advantage plan key sheets are completed and submitted correctly for processing.