

PROVIDER BULLETIN

Provider information



This Bulletin was updated on 5/22/14. See QP22-14 for the update.

May 8, 2013

Sequestration and impacts to processing of claims for services under Medicare programs

On March 22, 2013, the Centers for Medicare & Medicaid Services (CMS) released a memorandum notifying Medicare Advantage Organizations (MAOs), Part D plans and other programs (including Medicare Cost Plans and Managed Care Organizations) that beginning April 1, 2013, payments to MAOs, Cost Plans and Part D sponsors, and other sponsors will generally be reduced by two percent in accordance with the Balanced Budget and Emergency Deficit Control Act of 1985 (BBEDCA), as amended. This process of payment reduction is referred to as sequestration.

Blue Cross and Blue Shield of Minnesota and Blue Plus (Blue Cross) provides services to Medicare beneficiaries under Medicare programs offered as SecureBlueSM (MSHO), Platinum BlueSM (Cost) and Blue Essentials (HMO-POS). The purpose of this Bulletin is to provide information regarding claims processing for Blue Cross Medicare programs.

What is changing?

In accordance with implementation of the two percent payment reduction under sequestration applicable to Medicare fee-for-service, claims for health services under Blue Cross Medicare programs will be processed according to the subscriber's benefit plan. After the applicable coinsurance and deductible amounts have been applied, a two percent reduction on the paid amount will apply. There will be no change to the subscriber's liability for coinsurance. Providers cannot offset coinsurance or member liability in an attempt to recoup lower payments due to sequestration.

There has been no communication that there is an end date for the two percent payment reduction under sequestration.

The sequestration impacts:

- All claims for Medicare-covered services under Platinum Blue
- All claims for Medicare-covered services under SecureBlue
- All claims for Medicare-covered services under Blue Essentials

Effective July 1, 2013, Blue Cross will be implementing the two percent payment reduction for claims for services under Medicare programs.

Questions?

If you have questions, please contact provider services at (651) 662-5200 or toll free at 1-800-262-0820.