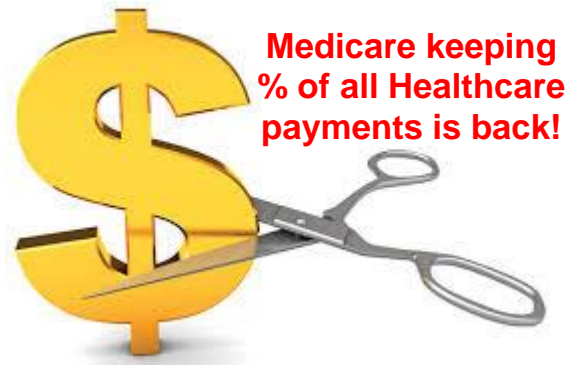


**ATTN: MEDICARE PROVIDERS**

**REMINDER: Medicare Sequestration Restored April 1, 2022**

When CMS released the final 2022 Medicare physician fee schedule on November 2, 2021 the agency also finalized the “Protecting Medicare and American Farmers from Sequester Cuts Act”. The act briefly delayed the sequestration 2% payment cut - the Healthcare payment reduction that has been in effect since 2013 was temporarily suspended by passage of the CARES Act in March 2020 for the Public Health Emergency (PHE).

The 2% payment cut was to resume on Jan. 1, 2020 but the act delayed it until April 1, 2022, at which time the cut was put back in place, but only at half-strength, i.e., a 1% payment cut instead of 2%, for three months, then the full 2% payment cut may be restored as early as July 1 or **headed off by Congress again.**



- **No payment cut through March 31, 2022**
- **1% payment cut April 1, 2022 through June 30, 2022**
- **2% payment cut beginning July 1, 2022**

Payment cuts required under sequestration apply to all claims after determining the Medicare payment including application of the current fee schedule, coinsurance, any applicable deductible, and any applicable Medicare secondary payment adjustments. All fee schedules, pricers, etc., are unchanged by sequestration; the final payment amount is reduced. The reduction is taken from the calculated payment amount, after the approved amount is determined and the deductible and coinsurance are applied, i.e., if there is no payment due to the provider, i.e., all applied to patient deductible, then the percent cut has no impact.

Claim Adjustment Reason Code (CARC) 253 (Sequestration – Reduction in federal payment) will appear on the ERA and SPR to report the sequestration reduction.

**Medicare keeping a percent of ALL Healthcare provider payments returns. FIGHT BACK NOW!**

Providers are encouraged to write the White House to request a permanent suspension of the 2% fee reduction as well as other cuts to physician payments via: <https://www.whitehouse.gov/contact/>.

Refer to the Novitas website for more information:

<https://www.novitas-solutions.com/webcenter/portal/MedicareJL/pagebyid?contentId=00106360>

Medicare and Budget Sequestration: <https://fas.org/sgp/crs/misc/R45106.pdf>

For assistance or questions, contact MDS/MSI:

From MEDPM or MEDEHR sign-on screens double click on [helpdesk@medtronsoftware.com](mailto:helpdesk@medtronsoftware.com) to compose an email to our Support Team. You may also email [helpdesk@medtronsoftware.com](mailto:helpdesk@medtronsoftware.com) directly from your email server. The email will auto-create a ticket in our Help Desk system and send you an automated reply with your ticket # for all future correspondence related to your question/concern.