



Important Notice: Medicare Advantage Sequestration

On Aug. 2, 2011, the Budget Control Act of 2011 was signed into law, directing federal spending be reduced by \$1.2 trillion over 10 years. Absent action to enact legislation to achieve these savings objectives or otherwise modify the Budget Control Act of 2011, specified budget cuts went into effect on March 1, 2013. These cuts, known as sequestration, include a reduction of 2 percent to payments under the Medicare program, including Medicare Advantage plans. The Centers for Medicare & Medicaid Services (CMS) will implement these reductions on April 1, 2013, but has not yet issued guidance as to how the reductions will be implemented.

All providers who are reimbursed based on the Medicare reimbursement methodology or the Medicare-allowable rate (e.g., RBRVS, DRG, APC, etc.) for items and services provided to Amerigroup* Amerivantage (Medicare Advantage) members, including providers who are reimbursed using a Medicare fee schedule, will be subject to the same sequestration reduction applied by CMS for the same items and services. The reduction will not apply to items and services provided to members in any of our Medicaid plans that are reimbursed based on a Medicare methodology.

This reduction will become effective as of the date it is implemented by CMS and will continue only so long as applied by CMS.

For more information about how sequestration will affect you, please call 1-855-AGP-HLTH.

*In New Mexico, Amerigroup Community Care of New Mexico, Inc.