

Provider Update



This is an update about information in the provider manual. For access to the latest provider manual, go online to <https://providers.amerigroup.com/KS>.

Budget shortfall payment reduction — clarification

Summary of change:

Effective with dates of service on and after July 1, 2016, the budget payment reduction of 4 percent will be applied to the claim/detail allowed amounts rather than the actual fee schedule amount. In the situations where the claim/detail allowed amount is less than the applicable fee schedule amount (i.e., billed amount is less), the reduction will be applied only to what is allowed on the claim/detail. It will not be applied to a higher amount fee schedule amount. For example, if the billed amount is \$50, but the fee schedule rate (prior to July 1, 2016) is \$55, the reduction will be taken from the billed amount of \$50.

Effective with dates of service on and after July 1, 2016, the only out-of-state providers that are exempt from the 4-percent rate reduction are hospitals (excluding Children's Mercy Hospital and University of Kansas Hospital). All other out-of-state providers, unless they meet the exempt criteria outlined in a previous publication, are subject to the 4-percent rate reduction. Please see prior publication KSPEC-1280-16, titled *2016 — Budget Shortfall Reduction*, for a list of the exempt criteria.

What if I need assistance?

If you have questions about this communication, received this fax in error or need assistance with any other item, contact your local Provider Relations representative or call Provider Services at 1-800-454-3730.