

Budget Reduction Impacts Effective July 1, 2018

Summary of change: Amerigroup Community Care received a MCO Budget Reduction memo, dated June 19, 2018, from the Division of TennCare regarding Budget Reduction payment changes effective July 1, 2018.

What is the impact of this change?

Changes are as follows:

- **DME Maximum Fee Schedule:** MCOs must utilize the April 2018 non-rural (NR) CMS DMEPOS Fee Schedule as a maximum/ceiling for negotiated provider rates. This Fee Schedule can be found on the [provider website](#).
NOTE: If your reimbursement rate is above the maximum CMS allowed rates, your reimbursement will be reduced to be equal to the maximum rate effective July 1, 2018. Any contracted rates that are below the maximum will not require any action based on this notice.
- **Member Handbooks: Reduction in paper copies of member handbooks** - Amerigroup will begin to mail a notice to enrollees with instructions for accessing the member handbook on our member website, <https://www.myamerigroup.com/tn/benefits/member-materials.html>, and a phone number to call and request a paper copy if preferred.
- **340B Pricing:** Section 2.12.9.60 of the MCO Contract requires the MCO to specify in applicable provider agreements that all providers who participate in the federal 340B program give TennCare MCOs the benefit of 340B pricing. This requirement of the contract has continued to be bought back by one time appropriations and therefore will not be enforced for state fiscal years 2015, 2016, 2017, 2018, and 2019.
- In addition to the budget reductions and/or buyback as described above, all other previous reductions and limits remain in effect.

What if I need assistance?

If you have questions about this communication, please contact your local Provider Relations Representative or call Provider Services at 1-800-454-3730.