

UnitedHealthcare Sequestration Implementation

As a result of the Centers for Medicare & Medicaid Services (CMS) announced sequestration reductions to payments to Medicare Advantage health plans as well as payments to physicians, facilities and other healthcare professionals, UnitedHealthcare is implementing reductions to physician, facility, and other healthcare professional payments from its Medicare Advantage plans.

Specifically, for providers serving UnitedHealthcare West (AZ, CA, CO, NV, OK, OR, TX, WA):

- If you have a capitated Medicare Advantage plan contract with us based on a percentage of CMS revenue the 2 percent reduction will be passed through to your capitated payment for dates on or after April 1, 2013;
- If you have a contract with us with a Medicare Advantage incentive program that is based on a percentage of premium of CMS revenue, the 2 percent reduction will be passed through to your incentive program calculations;
- If you have a Medicare Advantage plan fee-for-service contract with us based on Medicare methodology or rates, including Medicare fee schedules, UnitedHealthcare's Medicare Advantage plans will reduce payments by 2 percent for dates of service or dates of discharge on or after April 1, 2013;
- Capitated groups who are delegated for claims payment should review their direct contracts with downstream providers to determine how their payment methodologies and rates relate to Medicare methodology and rates and whether to make similar reductions.

As our implementation continues and further information becomes available regarding the government's implementation of sequestration, we will continue to update our communications to affected providers either directly, or at www.uhwest.com for states listed above or at www.uhonline.com for Medicare Advantage FFS.