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Health Services Cost Review Commission

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MEMORANDUM

To: Chief Financial Officers

cc: Medicare Advantage Organizations

From: Katie Wunderlich, Executive Director

Date: May 5, 2020

**Re: Medicare Advantage Organizations Reimbursement - Suspension of
Sequestration**

At its January 9, 2019 public meeting, the Health Services Cost Review Commission adopted a formal policy effective January 1, 2019, that permits Medicare Advantage Organizations (MAOs) to take a two percent sequestration reduction on the final payments due to Maryland Hospitals for MAO beneficiaries so long as the sequestration continues in effect.

On March 27, 2020, Congress passed the CARES Act which temporarily suspended sequestration for the period May 1, 2020 to December 31, 2020. Therefore, as of May 1, 2020, MAOs are no longer authorized to reduce payments to Maryland hospitals by two percent.

If you have any questions, you may contact Dennis N. Phelps, Deputy Director, Audit & Compliance at dennis.phelps@maryland.gov.

