Important Information about Sequestration Reductions: Medicare Plans Only

In November 2013, ConnectiCare notified all contracted, eligible providers in our Medicare network that in 2014 we would implement the two percent (2%) reduction in payment per federal sequestration put forth by the Centers for Medicare & Medicaid Services (CMS).

Effective January 1, 2014 — ConnectiCare began implementing those reductions for hospitals and their contracted providers.

Effective March 1, 2014 — We began applying sequestration reductions for all other physicians and ancillary providers reimbursed on a Medicare fee schedule.

ConnectiCare greatly values its relationship with our providers. We find the entire situation relating to sequestration regrettable. In anticipation of the questions you may have, we have provided some additional information below.

What is federal sequestration?
The Budget Control Act of 2011, as amended by the American Taxpayer Relief Act of 2012, required automatic spending cuts to United States government spending in particular categories of outlays, including a reduction of two percent (2%) in Medicare spending. These spending cuts went into effect on March 1, 2013.

What providers are affected?
Hospitals, home health services, durable medical equipment suppliers, and all other providers contracted with a Medicare fee schedule will receive the same two percent (2%) payment cuts.

When will ConnectiCare apply reductions as a result of federal sequestration?
ConnectiCare will begin to take the two percent (2%) reduction in Medicare Advantage funding resulting from federal sequestration effective January 1, 2014, for hospitals and their contracted providers, and effective March 1, 2014, for all other physicians and ancillary providers reimbursed on a Medicare fee schedule.

Did ConnectiCare provide notice that it would be reducing payments to hospitals and physicians as a result of federal sequestration?
Yes. In November 2013, ConnectiCare notified all contracted, eligible providers in its Medicare network that ConnectiCare would begin to take the two percent (2%) reduction in 2014 on Medicare Advantage funding as a result of federal sequestration.

Who at ConnectiCare should I call with questions about federal sequestration?
Call your contracting manager or Provider Service Representative. If you are not sure who that is, call the Network Operations Department at (860) 674-5714.

If you have additional questions, please contact Network Operations at (860) 674-5714.