Home Health Care

PointClickCare®

Support Note:

Sequestration Adjustment Configuration for Traditional Medicare

Overview

A new payer configuration has been released, aimed at automating the adjustments for Medicare Sequestration.

When utilizing this new feature please follow the workflow and setup procedure in this guide.

Procedure

Setup

1. Navigate to **Administration** > **Payers** > **Medicare.**
2. Select **Manage Plans.**
3. Select **Edit** on the Plan.
4. Click the **Billing Configuration** tab.
5. Populate the **Medicare Reimbursement Percentage** to 98% (noting the 2% adjustment off the full 100% of Medicare Reimbursement).
6. Update the **Medicare Reimbursement Percentage Effective Date** for the applicable date the system should start recording this for new claims.

Medicare Reimbursement Percentage * ⓘ	98.00
Medicare Reimbursement Percentage Effective Date *	03/01/2023

7. Click **Accept.**

Note: This new payer configuration will reflect within your accounts receivable reimbursement totals only on **newly generated claims**, and **newly submitted claims** if the claim was already generated and in a **NEW** status, **AFTER** the **Effective Date**.

Applying Adjustments

The new **Medicare Reimbursement Percentage** payer configuration will allow the system to automatically adjust off 2% of the Medicare balance, so you must take into consideration the following conditions.

- With automatic adjustments, there is no reporting on the percentage that was adjusted, the system reflects your **Revenue** and **Accounts Receivables** as the net balance **AFTER** the adjustment.

- When utilizing this payer configuration, users will no longer apply the sequestration adjustment that comes in from the 835 Remittance Advice for any claims that were **newly generated** OR **newly submitted AFTER** the **Effective Date**. You **MUST** still apply this adjustment to any claims that were already submitted **PRIOR** to the new **Effective Date** as it will not retroactively apply the adjustment to those claim balances.

- You do not have to turn off the currently active adjustment type in the adjustment configuration for sequestration percentages, however, you will only use this adjustment for claims that were already submitted **PRIOR** to the Effective Date of the new payer configuration. You can turn this adjustment type off once **ALL** claims that were submitted prior to the new payer configuration are collected on, but users will have to keep track of when to do so.

Adjustment Types [Add]

	Name ▲	Category ⇕	Description ⇕
Edit	2% Sequestration	Revenue Adjustment	Sequestration 2% Reduction in Federal Spending