

RESUMING MEDICARE 2% SEQUESTRATION

During the Covid-19 pandemic, South Country suspended the 2% Medicare Sequestration per Section 3709 of the Coronavirus Aid, Relief, and Economic Security (CARES) Act. CMS resumed Sequestration on July 1, 2022; however South Country did not resume Sequestration at that time. This communication is to provide notice that South Country is resuming the 2% Medicare Sequestration reductions beginning January 1st, 2026.

Sequestration is a term used to describe an automatic reduction of spending by the Federal Government to meet budget goals. Medicare sequestration imposes a 2% reduction in all Medicare-related claims, as calculated by the Office of Management and Budget (OMB). This reduction affects providers who file claims and receive payments from Medicare, impacting providers and services that accept Medicare reimbursements. This includes healthcare providers and services billing Part A and Part B and Medicare Part C and Part D plan sponsors.

South Country providers will start noticing this 2% reduction on their Medicare claims beginning with dates of service on or after January 1st, 2026. For any questions related to this notice or more information about the Medicare Sequestration, please contact the Provider Contact Center at 888-633-4055.

South Country Provider Contact Center

1-888-633-4055

Hours: 8 a.m. - 4:30 p.m.

The Provider Contact Center staff are available as your first point of contact to assist with the following.

Member benefit coverage

Authorization verification

Website questions

Claims billing and processing guidelines

Remittance adjustment code details and payment information

Provider web portal issues

Claim rejection guidance

General information

South Country wants to ensure providers are reimbursed for services provided to our members and following all billing guidelines. Our staff are committed to support and guide you in understanding all South Country processes and procedures. In addition, callers that utilize our





Bulletin/Update

Provider Contact Center are provided a reference number that identifies your call in our system. Please keep the reference number in your records to refer to if you have any additional questions or need to check the status of an open issue. The reference number will help the representative locate your issue quickly.