

May 4, 2020**Information for Molina Medicare Advantage HMOs*******Sixth Communication*****

The Centers for Medicare & Medicaid Services (CMS) continues to release guidance for health care providers to follow during the National State of Emergency, during a disaster, or emergency related to Parts A/B, Part D and Supplemental Part C benefit access.

The following outlines key COVID-19 requirements and changes to Molina Medicare's business rules as a result of the national public health emergency period. The following communication provides guidance related to the CARES act and is the sixth of ongoing communications to summarize changes for our Molina Medicare providers:

Updates for Molina Medicare:

1. **Sequestration** (Related to CARES Act; HPMS Memo 4/22/2020 - Medicare Advantage/Prescription Drug System (MARx) May 2020 Payment)
 - **CMS Requirement:** CMS suspends the mandatory 2% payment reduction known as "sequestration" from May 1, 2020 through December 31, 2020.
 - **New Molina Medicare Business Rule (effective May 1, 2020):** Molina will follow CMS and remove the 2% reduction for applicable Medicare contracts during the sequestration suspension period.
2. **Hospital 20% add-on payment** (Related to CARES Act; [4/27/2020 MLN Memo](#))
 - **CMS Requirement:** Hospitals will receive a 20% increase to the weighting factor for each diagnosis-related group (DRG) for individuals discharged with a diagnosis of COVID-19 during the emergency period identified by the presence of the following ICD-10-CM diagnosis codes:
 - B97.29 (Other coronavirus as the cause of diseases classified elsewhere) for discharges occurring on or after January 27, 2020, and on or before March 31, 2020.
 - U07.1 (COVID-19) for discharges occurring on or after April 1, 2020, through the duration of the COVID-19 public health emergency period.
 - **New Molina Medicare Business Rule:** Molina will follow CMS and apply the 20% increase to the weighting factor for the relevant diagnosis groups stated above for the applicable Medicare contracts while the increase is effective by CMS.

Molina Healthcare is monitoring COVID-19 developments daily. We will update you as things change and encourage you to monitor the CDC website: <https://www.cdc.gov/coronavirus/2019-ncov/index.html>

Additional COVID-19 Emergency and Disaster Guidance is published on the CMS website at the following link: <https://www.cms.gov/files/document/hpms-memo-covid-information-plans.pdf>