

**May 4, 2020**

Updates for Molina Medicare

**Re: Molina Medicare Advantage HMOs and Medicare-Medicaid Plan (MMP) providers (collectively, “Molina Medicare”)** - *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 Centers for Medicare & Medicaid Services (CMS) continues to release guidance for health care providers to follow during the National State of Emergency, including special requirements for Medicare Advantage Organizations (MAOs) and MMP’s<sup>1</sup> during a disaster, or emergency related to Parts A/B, Part D and Supplemental Part C benefit access.

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:

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>

**MCareMMP\_C19\_PC\_Update6**

<sup>1</sup> For MMP plans, this guidance only applies to Medicare services under a Molina MMP plan.