



Examples of impact of 2 percent sequester on beneficiaries and providers

Illustrative estimates prepared by the American Medical Association

Fee schedule amounts, deductible and coinsurance percentage remain unchanged.

Apply 2% reduction to:

- Provider payment amount for participating claims
- Beneficiary payment amount for non-assigned claims

Example 1 - Participating physician, 1st service			
	<u>Before</u>	<u>After</u>	<u>Sequester impact</u>
Allowed charge	200.00	200.00	
Deductible	147.00	147.00	
After deductible	53.00	53.00	
Coinsurance	10.60	10.60	
Medicare payment to provider	42.40	41.55	
Total provider pay	200.00	199.15	-0.42%
Total paid by beneficiary	157.60	157.60	0.00%

Example 2 - Participating physician, after deductible			
	<u>Before</u>	<u>After</u>	<u>Sequester impact</u>
Allowed charge	200.00	200.00	
Deductible	0.00	0.00	
After deductible	200.00	200.00	
Coinsurance	40.00	40.00	
Medicare payment to provider	160.00	156.80	
Total provider pay	200.00	196.80	-1.60%
Total paid by beneficiary	40.00	40.00	0.00%

Example 3 - Nonparticipating physician, not assigned, 1st service			
	<u>Before</u>	<u>After</u>	<u>Sequester impact</u>
Allowed charge	190.00	190.00	
Deductible	147.00	147.00	
After deductible	43.00	43.00	
Coinsurance	8.60	8.60	
Medicare pmt to beneficiary	34.40	33.71	
Total provider pay	218.50	218.50	0.00%
Total paid by beneficiary	184.10	184.79	0.37%

Assuming provider can bill beneficiary for full limiting charge

Example 4 - Nonparticipating physician, not assigned, after deductible			
	<u>Before</u>	<u>After</u>	<u>Sequester impact</u>
Allowed charge	190.00	190.00	
Deductible	0.00	0.00	
After deductible	190.00	190.00	
Coinsurance	38.00	38.00	
Medicare pmt to beneficiary	152.00	148.96	
Total provider pay	218.50	218.50	0.00%
Total paid by beneficiary	66.50	69.54	4.57%

Assuming provider can bill beneficiary for full limiting charge