

# **Mandatory Payment Reduction of 2% Continues for the Medicare FFS Program-Sequestration**

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**April 24, 2017**

For the Fee-for-Service (FFS) program, claims with dates of service or dates of discharge on or after April 1, 2013 will continue to incur a 2 percent reduction in the Medicare payment until further notice.

Providers will see a 2 percent payment decrease on their remittance advice (RA) due to a mandatory sequestration payment reduction on all claims. Claim adjustment reason code (CARC) 253 is used to report the sequestration reduction. The code will appear as a CO-253 on the RA "Sequestration – reduction in federal payment" as the reason.

Updated: **Apr 20, 2017**