

March 19, 2021

House Passes Bill that Would Extend Moratorium on 2% Medicare Sequester Cuts Through End of 2021, Make Other Health Care Changes

Urge support for Senate bill that would extend moratorium through end of COVID-19 public health emergency

The House of Representatives today voted 246-175 to approve H.R. 1868, a bill that, among other health care provisions, would eliminate the [2% across-the-board cut to all Medicare payments](#), known as sequestration, until the end of 2021. Congress in legislation enacted last year paused the cuts, but they are expected to resume April 1 without additional congressional action.

H.R. 1868 also excludes the budgetary effects of this bill, as well as the American Rescue Plan Act of 2021, from the scorecards established by the Statutory Pay-As-You-Go (PAYGO) Act of 2010, preventing across-the-board cuts to numerous direct spending programs, including Medicare. Without this action, additional sequester cuts will be triggered in January 2022. See our [PAYGO fact sheet](#).

The bill also would make several technical changes to the rural health clinic (RHC) provisions that were included in the Consolidated Appropriations Act (CAA), 2021. Specifically, the CAA required that the payment rate for RHCs, including provider-based RHCs, certified after Dec. 31, 2019, be capped at \$100 per visit beginning April 1, 2021. This rate will increase over time based on the Medicare Economic Index, but will remain well below typical provider-based RHC rates. H.R. 1868 would correct the Dec. 31, 2019, certification date to Dec. 31, 2020, by which time an RHC would have needed to submit an application for Medicare enrollment.

AHA Take: In a [statement](#), AHA President and CEO Rick Pollack said, “America’s hospitals and health systems thank the U.S. House of Representatives for passing legislation today that extends relief from pending Medicare cuts to doctors and hospitals that are slated to resume at the beginning of next month. Hospitals, health systems and our heroic caregivers remain on the front lines of the COVID-19 pandemic, caring for patients and communities and playing a leading role in vaccination efforts. Now is not the time to pull resources away from these critical efforts.”

“We now look forward to working with the U.S. Senate to achieve relief from the pending Medicare sequester cuts before they go into effect.”

Senate Action: Sens. Jeanne Shaheen, D-N.H., and Susan Collins, R-Maine, this week introduced the Medicare Sequester Relief Act, bipartisan legislation that would prevent the 2% cuts to Medicare payments to health care providers from taking effect during the COVID-19 public health emergency. To pay for the change, the bill would extend sequestration, which is scheduled to expire at the end of fiscal year 2030, through FY 2031. **Please contact your senators and urge them to support the legislation. For more details, see the [AHA Action Alert](#).**

FURTHER QUESTIONS

If you have questions, please contact AHA at 800-424-4301.