

March 25, 2021

## Senate Passes Bill That Extends Moratorium on 2% Medicare Sequester Cuts Through End of 2021, Makes Other Health Care Changes

*House expected to take up bill when it returns to session the week of April 12*

The Senate today passed by 90-2 vote 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. To pay for the change, the bill would increase the fiscal year 2030 sequester cuts.

Congress in legislation enacted last year paused the cuts, but they are expected to resume April 1 without additional congressional action. The House is expected to take up the Senate-passed bill the week of April 13 when it returns to Washington D.C. It is expected that the Centers for Medicare & Medicaid Services will hold the Medicare claims until the bill is signed into law as it has done in the past.

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. The bill would correct the Dec. 31, 2019, date to Dec. 31, 2020, and include both Medicare-enrolled RHCs located in a hospital with less than 50 beds and RHCs that have submitted an application for Medicare enrollment as of this date.

**AHA Take:** In a [statement](#), AHA President and CEO Rick Pollack said, “America’s hospitals and health systems thank the U.S. Senate for working in a bipartisan manner today to extend relief from pending Medicare cuts to doctors and hospitals that would have gone into effect in just a few days. More than a year into this pandemic, hospitals, health systems and our caregivers remain on the front lines in the fight against the virus by caring for patients and vaccinating communities. While vaccines give us great hope for the future, with over 85,000 new cases and nearly 1,500 deaths due to COVID-19 yesterday alone, according to Johns Hopkins, we are not out of the woods yet and it is in everyone’s interest to keep hospitals strong.

“The AHA will continue to work with Congress and the Administration to ensure hospitals and health systems have the support, resources and tools they need to continue to provide essential services to their patients and communities during the pandemic and

beyond. This includes more overall funding for the Provider Relief Fund, relief for hospitals and health systems with Medicare accelerated payments and Congressional action by the end of the year on Medicare cuts due to the effects of PAYGO.”

### **FURTHER QUESTIONS**

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