March 26, 2021: Advocacy Update spotlight on progress made to extend sequester moratorium

Progress made to extend sequester moratorium

The Senate passed an agreement reached by leaders Schumer and McConnell to extend the 2% Medicare sequester moratorium that expires on April 1. The legislation would provide a nine-month extension of the moratorium, through Dec. 31. It also contains some technical corrections related to rural health clinics and disproportionate share hospitals. The Senate voted 90-2.

The House of Representatives passed different legislation earlier that would both extend the moratorium through the end of the pandemic and eliminate an additional 4% Medicare sequester scheduled to take effect on Jan. 1, which was required by paygo rules to offset part of the cost of passing the American Rescue Plan economic stimulus package. Consequently, the House will need to pass the Senate language when it returns from its Easter recess in mid-April. The House is expected to vote favorably, and the Centers for Medicare & Medicaid Services (CMS) is expected to hold off processing April claims until then to avoid making reduced payments.

Stakeholders expect legislation to be considered later in the year to avoid the additional 4% sequester scheduled to take effect on Jan 1.

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