Senate acts to push back 2% Medicare sequester to year’s end

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Kevin B. O'Reilly
News Editor

What’s the news: The U.S. Senate voted 90–2 in favor of an agreement reached by Majority Leader Charles Schumer and Minority Leader Mitch McConnell to extend the 2% Medicare sequester moratorium that is set to expire April 1. The legislation would provide an extension of the moratorium through Dec. 31. The measure also contains some technical corrections related to rural health clinics and disproportionate share hospitals.

The House of Representatives passed different legislation, H.R. 1868, that would both extend the moratorium through the end of the pandemic and eliminate an additional 4% Medicare sequester scheduled to take effect Jan. 1, 2022, which was required by pay-as-you-go 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% Medicare sequester cut.

Why it’s important: As AMA President Susan R. Bailey, MD, noted in an op-ed published in The Hill, “In-person patient visits to physician offices plummeted last year, and physicians saw revenue drop by an average of 32%, according to an AMA survey conducted last summer. About one in every five physicians saw revenue collapse of 50% or more, and more than eight in 10 physicians said revenue still has not recovered to pre-pandemic levels.
“As leaders of health care teams, physicians routinely put their lives on the line by placing the needs of patients above their own,” Dr. Bailey added. “Policymakers should consider the physical and emotional strain placed on them before further aggravating their financial burden by cutting Medicare payments.”

Learn more: Here’s what physicians should know about President Biden’s recently enacted coronavirus relief package. Read about COVID-19’s financial impact on physician practices.

Also, find out about Medicare’s boost in pay for COVID-19 vaccine administration.