

Biden signs bill delaying 2% Medicare sequester pay cut until 2022

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What's the news: President Biden has signed into law a measure extending the 2% Medicare sequester moratorium that was set to expire April 1. The House of Representatives voted 384–38 in favor of the bill, already passed 90–2 in the Senate after Majority Leader Charles Schumer and Minority Leader Mitch McConnell reached an agreement on the issue.

The legislation will extend the moratorium through Dec. 31. The measure also contains some technical corrections related to rural health clinics and disproportionate share hospitals.

The Centers for Medicare & Medicaid Services (CMS) has held off processing April claims pending congressional action to avoid making reduced payments. Stakeholders expect legislation to be considered later in the year to avoid 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.

“The Senate and House, Democrats and Republicans, have overwhelmingly acknowledged that cutting Medicare payments during a pandemic is ill-conceived policy. Physician practices are already distressed, and arbitrary 2% across-the-board Medicare cuts would have been devastating.”

Dr. Bailey expressed the AMA's appreciation for bipartisan work from Reps. Brad Schneider, D-Ill., and David McKinley, R-W.V., as well as Sens. Susan Collins, R-Maine, and Jeanne Shaheen, D-N.H., “for shepherding this bill across the aisles and through their chambers.”

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.