

April 13, 2021

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

President Biden expected to sign the bill into law soon

The House of Representatives tonight voted 384-38 to pass 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. The Senate passed the bill last month, and President Biden is expected to sign it into law soon.

Congress in legislation enacted last year paused the 2% Medicare cuts, but they were expected to resume April 1 without additional congressional action. The Centers for Medicare & Medicaid Services has instructed Medicare administrative contractors to hold all claims with dates of service on or after April 1, 2021, for a short period until the legislation is enacted.

In addition to the 2% Medicare sequester cuts, 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 shared with the media, AHA President and CEO Rick Pollack said, “America’s hospitals and health systems thank Speaker Pelosi, Leader McCarthy and the U.S. House of Representatives for joining Majority Leader Schumer, Leader McConnell and the U.S. Senate in extending needed relief from Medicare cuts to doctors and hospitals caring for patients and vaccinating communities. Even though our country is making great progress by vaccinating millions of people a day, it is clear that this pandemic is far from over and that there is an urgent need to keep hospitals, health systems and our heroic caregivers strong.

“The AHA continues to work with Congress and the Administration to ensure the hospital field has the support, resources and tools to serve their patients and communities. This includes continuing to advocate for more overall funding for the Provider Relief Fund,

relief for hospitals and health systems with Medicare accelerated payments, hospital and health system priorities to be included in the upcoming infrastructure legislative package 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.