

Senate passes bill to extend Medicare sequester fix through 2021

by Robert King |
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The Senate overwhelmingly passed legislation Thursday to extend a pause on Medicare payment cuts through 2021, a major demand from providers still struggling financially during the pandemic.

The legislation passed the Senate by a 90-2 margin and now heads to the House for final passage. The House passed a similar bill earlier this month that extended the moratorium on the cuts, which were installed under the sequester, for nine months.

However, the House is unlikely to take up the legislation until next month as the chamber is in recess until the middle of April.

The American Hospital Association, which has pressed the Senate for the legislation, [**has said the Centers for Medicare & Medicaid Services**](#) (CMS) could hold back Medicare claims payments until the final legislation is signed into law.

CMS told Fierce Healthcare earlier this week that it doesn't comment on pending legislation when asked about the possibility of holding the payments until final legislative approval.

The 2% cuts were originally paused by Congress as part of the CARES Act as providers started to struggle with the financial fallout of the COVID-19 pandemic.

The moratorium on the cuts has been extended several times since then, with the latest extension being included in a federal spending package approved by Congress in late December.

Hospital groups lauded the Senate vote as a key win for providers.

"Extending the 2% Medicare sequester moratorium is a key piece of the puzzle to ensure clinicians and hospitals have the critical resources to care for their patients and defeat this virus," said Chip Kahn, president and CEO of the Federation of American Hospitals, in a statement.

The American Hospital Association also lauded passage of the legislation but stressed that more support will be needed in the future such as "more overall funding for the

Provider Relief Fund, relief for hospitals and health systems with Medicare accelerated payments."

AHA also called for Congress to eventually pass legislation to extend a mandatory 4% payment cut to Medicare reimbursements set to go into effect under the PAYGO law, which requires mandatory spending cuts if federal spending reaches a certain threshold.

The House legislation included a delay of the 4% additional cut, set to go into effect in 2022, but the Senate bill that passed Thursday does not.