



McDermottPlus Healthcare Preview

WEEK OF MARCH 15, 2021

WHAT'S NEXT AFTER THE AMERICAN RESCUE PLAN?

MEDICARE SEQUESTER IS UP NEXT. With the latest version of COVID-19 relief done, Congress is now looking to its next big item to address – the Medicare sequester. Medicare providers face 2% across-the-board cut in Medicare payments beginning on April 1, 2021 absent any legislative action. House Democrats, led by Budget Committee Chairman John Yarmuth (D-KY), introduced a bill (H.R. 1868) that would extend the current Medicare sequester moratorium through the end of 2021. The legislation will also prevent an additional 4% cut by exempting the recently-passed American Rescue Plan (ARP) from the requirements of the Pay-As-You-Go (PAYGO) Act of 2010. The Congressional Budget Office has estimated that the increase to the deficit caused by the ARP would require further reductions in Medicare spending of four percentage points (or an estimated \$36 billion) for fiscal year 2022 if congressional action is not taken to waive the requirement. If implemented, these additional cuts would be on top of the 2% cut, possibly cutting Medicare payments by 6% in total. Obviously, this is deeply concerning for Medicare providers.

H.R. 1868 is expected to receive a House floor vote this week, where Republican votes will be carefully watched. Once the bill has passed the House, the Senate will require 60 votes to pass the bill. Senate Democrats can call up the bill forcing Republicans to go on the record supporting or opposing its consideration. As of now, the chances of the Senate passing the legislation is unclear. If this effort fails in either the House or the Senate, there will be very little time to address the 2% Medicare sequester that goes into effect on April 1. The more consequential 4% cut due to the statutory PAYGO provision does not go into effect until the beginning of the next fiscal year (October 1, 2021).

THIS WEEK IN THE SENATE

Senate Finance Committee

[A National Tragedy: COVID-19 in the Nation's Nursing Homes](#)

Wednesday, March 17, 10:00 AM

Senate HELP Committee

[Examining Our COVID-19 Response: An Update from Federal Officials](#)

Thursday, March 18, 10:00 AM

THIS WEEK IN THE HOUSE

House Energy and Commerce Oversight and Investigations Subcommittee

[Leading the Way Forward: Biden Administration Actions to Increase COVID-19 Vaccinations](#)

Wednesday, March 17, 10:00 AM

House Energy and Commerce Health Subcommittee

[Averting a Crisis: Protecting Access to Health Care in the U.S. Territories](#)

Wednesday, March 17, 1:00 PM

CONTACT INFO

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