



## 2021 Talking Points

### Medicare Reimbursement Cuts

- As the pandemic continues, medical groups and integrated delivery systems are once again faced with a workforce that is stretched beyond any reasonable limits, as well as serious financial consequences as elective procedures are postponed and additional funds are needed to care for a significant influx of COVID-19 patients.
- Providers are currently facing the potential of up to a 10% cut to Medicare reimbursement at the end of the year which include
  - 2% Medicare sequestration delay that expires on Dec. 31, 2021.
  - 4% or \$36 billion Medicare cut set to occur in January 2022 due to Pay-As-You-Go (PAYGO) offsets required by the \$1.9 trillion COVID-19 relief package passed earlier this year.
  - 3.75% reduction to the Medicare conversion factor set to occur in January due to changes to Evaluation and Management (E/M) codes designed to increase support for primary care services.
- If Congress fails to prevent this 10% cut in Medicare, it could lead to hiring freeze and layoffs; elimination of services; and delay of population health initiatives and general delivery system reforms amongst our member organizations.