

PHYSICIAN PAYMENT PATCH AND OTHER KEY HEALTH REFORMS SCRAPPED IN SCALED-BACK CONTINUING RESOLUTION

Only a few health care programs have their funding extended through March 14 under the slimmed-down continuing resolution (CR) shot down in the House on December 19th, with the bill leaving out many provisions originally included in lawmakers' heavily-negotiated health care package, such as the partial 2.5% payment fix for physicians' Medicare reimbursements.

Lobbyists have spent the year urging Congress to reverse the 2.8% cut to physician payments finalized by CMS in November. Although the initial CR released earlier in the week included a partial offset for the cut, the final version left it out, forcing physicians to face the full payment reduction effective January 1, 2025. Any chance for relief or long-term payment reform will likely have to wait until later this year.

Lawmakers faced a December 20th deadline to pass government funding legislation and avoid a shutdown, but 38 Republicans joined 197 Democrats to shoot down the slimmed-down CR backed by President-elect Donald Trump, leaving next steps unclear. House Minority Leader Hakeem Jeffries (D-NY) and all but two other Democrats were unwilling to support the bill, which Republican leadership hastily drafted after Elon Musk and President-elect Donald Trump criticized the initial CR. Some members of the House Freedom Caucus also expressed opposition due to the two-year suspension of the debt ceiling included in the deal.

The slimmed-down CR includes a three-month extension of Medicare telehealth flexibilities, which stakeholders have strongly advocated for as a now-essential part of the health care landscape, and would delay the Medicaid Disproportionate Share Hospital (DSH) cuts to April 1, 2025.