



Congress Must Pass Legislation to Stop Medicare PAYGO Cuts in 2023

ISSUE

The *American Rescue Plan Act (ARP) of 2021* increased spending without offsets to other federal programs. Under statutory Pay-As-You-Go (PAYGO) rules, any increases to the federal deficit automatically trigger an additional series of across-the-board reductions to federal programs. According to the Congressional Budget Office (CBO), the ARP created a 4% cut or \$36 billion for Medicare providers per year.

In December 2021, Congress passed a bill that averted the statutory PAYGO Medicare cuts for 2022 that punted it to take effect in 2023 without further action. See below for excerpt from that December 2021 law.

Protecting Medicare and American Farmers from Sequester Cuts Act ([PL 117-71](#))

SEC. 7. PAYGO ANNUAL REPORT.

For the purposes of the annual report issued pursuant to section 5 of the Statutory Pay-As-You-Go Act of 2010 (2 U.S.C. 934) after adjournment of the first session of the 117th Congress, and for determining whether a sequestration order is necessary under such section, the debit for the budget year on the 5-year scorecard, if any, and the 10-year scorecard, if any, shall be deducted from such scorecard in 2022 and added to such scorecard in 2023.

If Congress does not pass legislation to stop the PAYGO cuts by the end of 2022, an additional 4% cut would be added to existing 2% Medicare sequestration cut in 2023.

Additional PAYGO cuts would be devastating to HME providers and manufacturers during the current economic challenges. They cannot pass on the additional cost due to the Medicare fee schedule. Only Congress can stop this. Averting the 2023 PAYGO cuts will allow the HME community to continue to provide high quality care and lessen the stress on hospitals, nursing facilities, doctors, and clinicians during the ongoing pandemic.

SOLUTION

AAHomecare strongly urges Members of Congress to support and pass legislation this year that will stop the additional PAYGO cuts in 2023.