

Omnibus Bill Provides Relief to Hospitals and Health Systems

Healthcare Law Update

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On December 29, 2022, President Biden signed into law the [Consolidated Appropriations Act, 2023](#), a \$1.7 trillion omnibus spending bill that includes several provisions that impact healthcare providers and reimbursements. The new law includes a rollback of a 4.5% reduction in Medicare physician payment rates that were set to take effect on January 1, 2023, delays a statutory 4% reduction to reimbursements under the federal Pay-As-You-Go program for two years, and delays by one-year certain reductions in payments for clinical laboratory tests and data reporting requirements under the Clinical Laboratory Fee Schedule. The new law also extends for two years various rural Medicare programs and telehealth and hospital-at-home waivers that were put in place in response to the COVID-19 public health emergency.

The new law includes increased Medicare funding for healthcare staffing, including 200 additional Medicare-funded Graduate Medical Education slots, at least half of which will be dedicated to psychiatry and psychiatry subspecialty residencies, and includes provisions for expanding access to behavioral health services for Medicare beneficiaries. The new law also includes requirements related to Medicaid redeterminations, Medicaid benefits for post-partum care, and continuous coverage for Medicaid-eligible children. In response to the government's response to the COVID-19 pandemic, the legislation also includes measures intended to improve the government's ability to prepare for emergencies.

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