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As the Sequester Takes Effect, Providers Continue to Evaluate Spending Cuts

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As the country waits for President Obama to sign the sequester order, health care providers continue to ponder the effects of the automatic 2 percent cut to Medicare payments. The reduction will be applied to payments received on or after April 1st, and, according to a [recent Law360 article](#) (which quoted [Steve Weiner](#) of [Mintz Levin's Health Law Practice](#)), experts predict potential layoffs, cuts in services, and the delay of new projects. The decrease in reimbursement will add insult to injury given that the Affordable Care Act already cut hospital reimbursement and subjects hospitals to penalties for poor performance. Additional details regarding how providers may suffer as a result of the sequester may be found in an [article](#) published by McClatchy.

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