

April 3, 2020

## CMS Clarifies Accelerated/Advanced Payment Programs

Last week, Congress and the Centers for Medicare & Medicaid Services (CMS) made important legislative and regulatory changes to [expand the Medicare accelerated/advanced payment programs](#), which are intended to provide necessary funds to providers/suppliers when there is a disruption in claims submission and/or claims processing. In response to AHA's March 30 letter, CMS provided to AHA and to hospitals on an April 2 call additional details on the accelerated/advanced payment program. Updates and clarifications are outlined below.

### Definitions

CMS clarified that the agency refers to “accelerated” payments in reference to inpatient prospective payment system (IPPS) hospitals, children’s hospitals, cancer hospitals and critical access hospitals (CAH) and “advanced” payments in reference to all other providers and suppliers. The two terms are used to align with statutory authority, but the programs are treated similarly during a public health emergency based on CMS’ recent expansion.

### Additional Flexibilities

CMS has shared with AHA that the agency is in communication with its counsel to determine whether it has authority for additional flexibilities, including reducing the claims withhold during recoupment. Reducing the withhold from 100% to a smaller percentage would allow the provider to receive some Medicare payment during the recoupment period. The agency also has stated that it does not currently have authority to waive interest on the remaining balance of the repayment.

### Eligibility

CMS clarified that the only eligibility criteria for the program are that the provider/supplier must:

- Have billed Medicare for claims within 180 days immediately prior to the date of signature on the provider’s/supplier’s request form;
- Not be in bankruptcy;
- Not be under active medical review or program integrity investigation; and
- Not have any outstanding delinquent Medicare overpayments.

## Requesting Accelerated Payment/Advanced Payment

- As recommended by the AHA, CMS has substantially simplified the request process.
- Medicare Administrative Contractors (MACs) have different forms to request the accelerated and/or advanced payment.
- The forms for the existing accelerated/advanced payment program (outside of a public health emergency) can be used to request accelerated/advanced payments during this emergency, but the fields in the forms may not all apply for the new expanded program.
- If using an older form, please be sure to indicate you are applying in regard to the COVID-19 emergency; MACs will contact you if further information is needed.
- MACs have been instructed to update their request forms to reflect the modifications to the program; CMS expects the forms to be updated in the next several days.
- There is no deadline to request accelerated/advance payments as long as it is within the period of the public health emergency.
- Currently, CMS has not announced the ability for providers to request an additional accelerated payment after the maximum amount is exhausted; however, CMS has communicated with AHA that the agency will consider it while monitoring the situation carefully.

## Accelerated Payment/Advanced Payment Amount

- CMS clarified that, as recommended by the AHA, inpatient, outpatient, and pass through payments all are included in determining the Medicare payment amount.
- The agency also stated that, as recommended by AHA, payment amounts will be based on historical payments. Specifically, CMS will utilize:
  - 7/1/19 - 12/31/19 time period for those providers that can request up to six months of payment (IPPS hospitals, CAHs, cancer hospitals, and children's hospitals); and
  - 10/1/19 - 12/31/19 time period for those providers that can request up to three months of payment (all other providers – including long-term acute care hospitals (LTCHs), inpatient rehabilitation facilities (IRFs) and inpatient psychiatric facilities (IPFs) – and suppliers).
- Providers can request up to 100% of the payment amount; CAHs can request up to 125% of the payment amount; MACs will determine the provider's maximum amount based on the provider types as noted above.
- A provider that has sub-units under its tax identification number (TIN) can request accelerated payments for those units as part of the whole and receive the same allowances, e.g., a PPS hospital with an inpatient psych unit could request accelerated payments for the psych unit for up to six months.
- If the provider chooses not to request the maximum, the provider can request the remainder at a later time within the public health emergency time frame.
- For hospitals receiving periodic interim payments (PIP), the accelerated payment is in addition to their current periodic payments.

## Repayment and Recoupment

- Recoupment will begin 120 days after the issuance of the accelerated/advanced payment for all providers and suppliers (i.e., recoupment begins on day 121).
- Repayment in full is required for PPS hospitals, CAHs, cancer hospitals and children's hospitals 12 months after the date the accelerated payments are issued.
- For all other providers – including LTCHs, IRFs and IPFs – and suppliers, repayment in full is required after 210 days (seven months).
- The repayment is not subject to interest until the end of the repayment period (12 months or seven months, depending on the provider type).
- At the end of the repayment period, the MAC will send the provider a demand letter if there is a remaining balance:
  - The demand letter will indicate the remaining balance to be paid.
  - The provider can then submit a direct payment to pay off the balance in full.
  - There is a 30-day grace period before interest on the remaining balance begins; that is, on the 31<sup>st</sup> day after the demand letter is sent, interest will begin to accrue.
  - The interest rate is the prevailing rate set by the Treasury, which is currently 10.25%; CMS has previously stated it does not have authority to waive interest or change this rate.
- If the provider cannot pay the balance at the end of the repayment period, the provider should contact the MAC about an extended payment plan. The extended payment plan may include a reduced withhold; however, because the extended payment plan would occur beyond the repayment period, interest would be applied.
- For CAHs and PIP hospitals, the accelerated payment reconciliation process will happen at the final cost report process for the first cost report occurring after the repayment period. Repayment in full is still required by the end of the repayment period, even if the cost report settlement would occur beyond that period. Interest will accrue between the end of the repayment period and when there is a cost report reconciliation.

CMS will release an accelerated payment Frequently Asked Questions document in the coming days. Please see AHA's [advisory](#) and CMS' [fact sheet](#) for additional information on accelerated/advanced payments.

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