

CMS ACTIVATES ACCELERATED PAYMENT PROGRAM NATIONWIDE AS PART OF COVID-19 RESPONSE

On March 28, 2020, CMS published a Press Release announcing an expansion of its existing accelerated payment program (“APP”) to help providers and suppliers access emergency funding needed to support operations during the COVID-19 pandemic. The Press Release includes a Fact Sheet with details about eligibility, funding amounts, processing and how the funds are paid back to CMS.

As described in the Fact Sheet and below, the expanded APP allows providers and suppliers to immediately request interest-free payment advances and receive the payments in as few as seven calendar days. There is little downside to requesting the accelerated payment for any entity, so the opportunity merits serious consideration for all providers and suppliers and especially so for those facing immediate cash-flow challenges.

The Press Release and Fact Sheet are available [here](#) and [here](#).

KEY TAKEAWAYS AND RECOMMENDATIONS

- Funds received through the expanded APP are an advance payment (basically an interest-free “bridge-loan”).
- Most hospitals can request up to 100% (125% for CAHs) of Medicare payment amount based on a [six-month period](#).
- Other providers and suppliers (SNF, HHA, ASC, physician practices, DME, etc.) can request up to 100% of Medicare payments based on a [three-month period](#).
- The provider or supplier [must request](#) the accelerated payment by submitting a simple form to the applicable Medicare Administrative Contractor (“MAC”).
- Once requested, CMS anticipates MACs issuing payment within seven calendar days from the request.
- APP payments are subject to repayment beginning 120 days after the payment is received.
- **APP payments are not part of the \$100B Public Health and Social Services Emergency Fund authorized by the CARES Act.**
- Hospitals and other providers and suppliers facing challenges with the amount of cash-on-hand should consider applying for APP funds immediately (other hospitals should also consider whether the option would benefit the hospital now or in the near future).

CMS ACCELERATED PAYMENT PROGRAM

The CMS APP is an existing program that allows CMS to accelerate and advance Medicare payments in order to provide emergency funding and addresses cash flow issues when there is disruption in the claim submission or claims processing process. It has historically been used in response to natural disasters to accelerate cash flow to the impacted health care providers and suppliers. The CARES Act significantly expanded the program during the COVID-19 public health emergency to apply to providers and suppliers nationwide, increase the amount of payments available to providers and suppliers and lengthen the repayment time frames.

ELIGIBILITY, PAYMENT AMOUNT AND PROCESS

The Fact Sheet includes details about eligibility, amount of payments and timing under the APP, including a step-by-step guide on how to request accelerated or advance payment.

Eligibility

To qualify for advance/accelerated payments 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.

Importantly, there is no specific need-based threshold. Rather, the hospital only has to check a box stating there is a delay in billing. The Fact Sheet actually instructs hospitals to state the “request is for an accelerated/advance payment due to the COVID-19 pandemic.”

Amount of Payment

Most hospitals can request up to 100% of the Medicare payment amount based on a six-month lookback period. Critical access hospitals (“CAHs”) can request up to 125% of their payment amount for a six-month lookback period. Most non-hospital providers and suppliers can request up to 100% of the Medicare payment amount for a three-month lookback period. The guidance does not indicate how the three- or six-month lookback periods will be determined. Hospitals and other providers and suppliers also have the option to request a specific (lower) amount if they want.

Timing

The Fact Sheet and Press Release state that each MAC will work to review and issue payments within seven calendar days of receiving the request. The ability of MACs to meet this deadline may be impacted by the number and timing of APP requests. The sooner a request is submitted, the more likely the MAC will be able to issue payment consistent with that time frame.

Request Process

The process for requesting APP payments is relatively simple. Providers and suppliers complete and submit a request form to the applicable MAC. Each MAC has an existing APP request form that varies slightly from MAC to MAC, but none of the forms are longer than two pages.

REPAYMENT AND RECONCILIATION

The APP payments are advances, not subsidies or grants. Unless changed through congressional or administrative action, the payments do have to be repaid to CMS.

After an accelerated or advanced payment is made, the provider/supplier will continue to submit claims and receive full payment from Medicare for those claims as usual. This will continue for a minimum of 120 days. At the end of the 120-day period, the recoupment process will begin, and every claim submitted by the provider/supplier will be offset from the new claims to repay the APP payment. Instead of receiving payment for newly submitted claims, the provider’s/supplier’s outstanding APP balance is automatically reduced by the claim payment amount.

Most hospitals will have one year from the date of the initial APP payment to repay the amount owed. If after one year, there is still an outstanding APP payment balance, the MAC will send a request for repayment of the balance. All other Part A providers and Part B suppliers will have 210 days from the date of the APP payment was made to repay outstanding balances.

RELATIONSHIP TO \$100 BILLION CARES ACT FUND

Any amounts received through the APP are required to be repaid and should not have any impact on the future request or payments that are part of the CARES Act \$100 billion fund intended to reimburse hospitals and other health care entities for COVID-19-related expenses and lost revenue (the “Fund”), which we discussed in more detail in a previous alert (available [here](#)). Neither the Press Release or Fact Sheet give any indication that amounts obtained through the APP have any connection to the eventual interim or final distribution of the \$100B Fund.

If you have questions or would like additional information about this topic, please contact:

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