

CORONAVIRUS INFORMATION & UPDATES

October 1, 2020

House Funding Bill Proposes Repayment Relief for Medicare Accelerated and Advance Payment Programs Participants

On September 22, the U.S. House of Representatives passed H.R. 8337, a continuing resolution appropriations bill that would fund the federal government through December 11, 2020. The bill, which is expected to be enacted before current funding for the government lapses on September 30, also relaxes a number of the Medicare Accelerated and Advance Payment Programs repayment terms for providers and suppliers that received funds from the program during the COVID-19 emergency. We discussed the program in more detail in a previous Alert [here](#).

Attorneys
[Adrienne Ortega](#)
[Moussa Hassoun](#)
[Kelly Hamachi](#)
[Alex J. Talley](#)

This Alert addresses updates to the program included in H.R. 8337 below.

Background

The March 2020 The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and guidance from the Centers for Medicare & Medicaid Services (CMS) expanded the Accelerated and Advance Payment Programs and allowed Medicare Part A- and Part B-enrolled providers and suppliers to request and receive up to three months (six months for hospitals) of Medicare advanced payments. From March 28 to April 26, CMS approved over 45,000 applications under the program and made \$100 billion in payments to Part A providers (hospitals) and Part B suppliers (e.g., doctors, non-physician practitioners and DME suppliers). Payments are subject to repayment via offset from Medicare payments beginning 120 days after issuance of the advanced payments, to be fully repaid within 210 days (one year for hospitals).

H.R. 8337

H.R. 8337 makes several notable changes to the Accelerated and Advance Payment Programs, which would relax the terms of repayment to program participants. Upon request of a hospital, provider of services, or supplier that received accelerated or advance payments under Medicare Part A or Part B, CMS would:

- Delay recoupment of payments until one year from the issuance of the advanced payments;
- Once recoupment begins, apply a graduated recoupment schedule, where 25% of Medicare payments would be withheld during the first 11 months of recoupment, and 50% of Medicare payments would be withheld during the following six months; and
- Extend the period during which recipients must fully repay the advance payment amount in full to 29 months from the date of the first payment.

The House bill would also lower the interest rate on outstanding balances remaining after the 29-month repayment period from 10.25% to 4%.

CORONAVIRUS INFORMATION & UPDATES

Within two weeks of the bill's enactment CMS is directed to publish on its website data showing the total amount of advanced payments received by each provider of services or supplier under the program since passage of the CARES Act.

Parties wishing to avail themselves of these benefits will most likely need to notify their Medicare contractor of their election of this delayed recoupment. We anticipate CMS to issue additional guidance after the bill is enacted.

Although H.R. 8337 still needs to pass through the Republican-controlled Senate, the bill has garnered bipartisan support and is expected to be voted on early this week before the current funding for the government expires on September 30. The President is expected to sign the bill shortly thereafter.

* * *

If you have any questions or would like guidance on how this legislation may affect your business, please contact your usual Ropes & Gray advisor.