

CORONAVIRUS INFORMATION & UPDATES

March 31, 2020

Medicare Accelerated and Advance Payment Program Expansion During COVID-19

On March 28, 2020, the Centers for Medicare and Medicaid Services (“CMS”) greatly expanded the ability of providers and suppliers to participate in the Medicare Accelerated and Advance Payments Program (the “Program”) during the COVID-19 emergency and thus avail themselves of access to a significant source of liquidity. Any provider or supplier enrolled in Medicare Part A or Part B who meets the required qualifications may participate in the Program.

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The Coronavirus Aid, Relief, and Economic Security Act (known as the CARES Act) expanded the current Program to cover children’s hospitals, certain cancer hospitals, and critical access hospitals. On March 28, 2020, CMS further expanded the Program during the period of the COVID-19 public health emergency to extend to all Medicare Part A and B providers and suppliers. This means that all hospitals, clinics, physician groups, DMEPOS suppliers, clinical diagnostic laboratories, home health agencies, rehabilitation and therapy providers and any other providers/companies enrolled in Medicare Part A or Part B can participate in the Program.

Eligibility for Accelerated/Advance Payments

To qualify for accelerated or advance payments, providers must submit a request (forms are provided on the individual MACs’ websites) and meet the following requirements:

- Bill 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.

Process and Payment Amounts

Providers must submit a request form to their Medicare Administrative Contractor (“MAC”), and payments are expected to be issued within seven calendar days of the request. Providers may request up to 100% of their Medicare payment amount as accelerated payment for a three-month period, but certain hospitals (*i.e.*, inpatient acute care hospitals, children’s hospitals, and certain cancer hospitals) are able to request amounts for a six-month period. Critical access hospitals may request up to 125% of their payment for a six-month period.

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Repayments and Recoupments

Accelerated payments are to be repaid beginning 120 days after issuance of the payment, upon which the recoupment process starts and the claims submitted by the provider after the 120-day period are offset to repay the accelerated/advance payment. Per the updated guidance, most hospitals will have one year to repay the accelerated payment in full, while some other hospitals and providers will have 210 days.

For a small subset of Part A providers who receive Period Interim Payment (“PIP”), the accelerated payment will be included in the reconciliation and settlement of the final cost report 180 days after the fiscal year-end.