

Reminder-PHE Accelerated and Advance Payments are Due

May 26, 2021

Background

If you received government loans during the public health emergency, they may already be due. On March 28, 2020, the Centers for Medicare & Medicaid Services (CMS) expanded the COVID-19 Accelerated and Advance Payments (CAAP) Program to a wider group of Medicare Part A providers and Part B suppliers in response to the shutdown brought about by the COVID-19 public health emergency (PHE). Accelerated and advance payments issued during a national emergency are designed to provide stable cash flow to healthcare entities as they experience disruptions in Medicare claims submission and processing.

Repayment Terms

Under the Continuing Appropriations Act, 2021 and Other Extensions Act, repayment will begin one year from the issuance date of the accelerated or advance payment. On April 1, 2021, CMS announced that it began recovering CAAP monies on March 30, 2021, from Medicare providers and suppliers whose one-year repayment date was up. The repayment process is as follows:

- ⇒ The process begins automatically one year from the date your first CAAP was issued.
- ⇒ For 11 months, CAAPs will be recovered at a rate of 25% from payments otherwise owed to your healthcare facility.
- ⇒ After 11 months, remaining CAAPs will be recovered at a rate of 50% for six months.
- ⇒ At the end of six months, your Medicare Administrative Contractor (MAC) will issue a demand letter for full repayment of any remaining balance.
- ⇒ Balances not received within 30 days will accrue an interest rate of 4% from the date of the MAC letter.
- ⇒ Following lack of payment after the initial 30 days, an interest assessment will be performed for each 30-day period until repayment has been made in full.

If you are an institutional provider who gets periodic interim payments (PIPs), your CAAP settlement will be recouped from your periodic interim payments.

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Financial Hardship

If you are unable to repay the total amount of the accelerated or advance payment during this period due to financial hardship (a total of 29 months), you may request an Extended Repayment Schedule (ERS). An ERS is a debt installment payment plan that allows a provider or supplier to pay debts over the course of three years or up to five years in the case of extreme hardship. Providers and suppliers are encouraged to contact their MAC for information on how to request an ERS, but only after they have received a demand letter for nonpayment.

If you have not yet reopened your provider/supplier location, you will not be penalized if you cannot submit claims to work toward repayment; however, once the 29 months have passed, you will still be responsible for full repayment under the rules outlined above.

Providers and suppliers who have filed for bankruptcy must notify their MAC to ensure CMS has timely notice and can therefore properly resolve Medicare financial obligations.

For further information, visit the CMS [fact sheet](#) and CMS [FAQ](#).