

Medicare Providers and Suppliers Offered Expanded Access To CMS Accelerated and Advance Payment Program

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The Centers for Medicare and Medicaid Services (“CMS”) has expanded its Accelerated and Advance Payment programs for providers and suppliers pursuant to the recently enacted Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) and its existing regulatory authority. The expansion of these programs is one of the significant measures CMS is taking to assist providers and suppliers during the 2019 Novel Coronavirus (COVID-19) outbreak. These measures are designed to alleviate an impairment of providers’ and suppliers’ cash flow due to a temporary delay in their billing process or in Medicare claims processing by their health insurance contractor.

Section 3719 of the CARES Act specifically expands hospitals’ access to an already-existing accelerated payments program. The Hospital program had historically provided that an accelerated payment cannot exceed 70-80% of the net reimbursements represented by unbilled discharges or unpaid bills applicable to covered services provided to Medicare beneficiaries (typically based on historical payments), and must be “paid back” within 90 days (in the form of automatic offsets from payments for new claims made to the provider/supplier by CMS).

The CARES Act makes a few temporary (for the duration of the emergency period) changes to the program for children’s hospitals, cancer hospitals, critical access hospitals, and inpatient acute care hospitals. The Act allows CMS to make accelerated payments to hospitals for up to 100% (in the case of critical access hospitals, 125%) of their expected Medicare payments for up to a six-month period, and also extends the recoupment terms.

CMS has also seemingly determined that the COVID-19 outbreak, pursuant to its existing regulatory authority, qualifies as a highly exceptional situation in which accelerated or advance payment is appropriate for all other Medicare Part A providers and Medicare Part B suppliers. As a result, it issued a [Press Release](#) and [Fact Sheet](#) explaining the availability of accelerated and advance payments to all providers and suppliers. CMS explains that the key changes to the programs are as follows:

1. **Advance Payment Amount:** Most Medicare Part A and Part B providers and suppliers may request (using the form available on their Medicare Administrative Contractor’s website) up to **100%** of their expected Medicare payment amount **for up to a 90-day period** (three months), except:

1. Inpatient acute care hospitals, children’s hospitals, and certain cancer hospitals can request up to **100%** of their Medicare payment amount **for up to a 180-day period** (six months); and

2. Critical access hospitals can request up to **125%** of their Medicare payment amount **for up to a 180-day period** (six months).

2. **Recoupment:** All Medicare Part A and Part B providers and suppliers are not required to begin repayment until four months after the advance payment is issued. During this four-month period, providers and suppliers who received advance payment will be paid the full amount of new claims submitted. After the four months, Medicare payments will automatically include offsets to recoup the advance payment. Most providers and suppliers have **210 days** from the advance payment date to repay the balance—except for inpatient acute care hospitals, children’s hospitals, certain cancer hospitals, and critical access hospitals, which have up to **one year** from the date of advance payment to repay the balance.

In order to qualify for these advance payments, a provider/supplier must: (i) have billed Medicare for claims during the last six months; (ii) not be in bankruptcy; (iii) not be under active medical review or program integrity investigation; and (iv) not have any outstanding delinquent Medicare overpayments.

Hospitals, doctors, durable medical equipment suppliers, and other Medicare Part A and Part B providers and suppliers who are experiencing strains in their cash balance as a result of this crisis should consider whether an accelerated or advance payment would help alleviate some of the burden and allow them to continue efficient and effective operation. Additionally, when taking advantage of the program, providers and suppliers should analyze what impact, if any, such payment requests may have on their existing credit facilities.

In addition to the [CMS Fact Sheet, Section 150 of the Medicare Financial Management Manual](#) and information you can find on the relevant Medicare Administrative Contractor’s website ([find info on the MACs here](#)) is useful to understanding how to access the Accelerated and Advance Payment programs.

If you need assistance understanding how to access these CMS programs, have additional questions or need further assistance, please feel free to reach out to our Health Care & Life Sciences Industry Group or your Winston relationship attorney.

View all of our COVID-19 perspectives [here](#). Contact a member of our COVID-19 Legal Task Force [here](#).

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