

Medicare Accelerated and Advance Payment Program: What Providers/Suppliers Need to Know During COVID-19

To support providers and suppliers during the COVID-19 public health emergency, the Centers for Medicare and Medicaid Services (CMS) has announced a nationwide expansion of the Medicare Accelerated and Advance Payment Program (AAPP). Providers and suppliers will be able to access expedited and advanced payments in order to fund their operations and increase cash flow during the crisis and accompanying disruptions in claims submissions and processing. CMS' fact sheet detailing eligibility and the application process can be found [here](#).

➤ **What is Available?**

Under the AAPP, providers and suppliers may essentially borrow against their expected future Medicare payments in order to accelerate their cash flow and maintain necessary financial resources to combat the COVID-19 crisis. Providers and suppliers will be able to request advance payments **up to 100% of their Medicare payments for a three-month period** (between October and December 2019), with some hospital providers able to request an equal or higher percentage for a longer time. Through the MACs, CMS will work to provide the requested payments within 7 calendar days of the application. The AAPP will be available for the duration of the declared public health emergency.

➤ **Who is Eligible?**

With the expansion of the AAPP, providers participating in Medicare Part A and suppliers in Medicare Part B will be able to apply for and receive accelerated and advance payments. Specific eligibility criteria are outlined in the CMS fact sheet linked above, but current Medicare providers and suppliers in good standing (i.e., no delinquent payments owed to Medicare, not in bankruptcy, not currently under investigation) are eligible.

Certain providers will have expanded access to accelerated and advance payments, beyond what is outlined above. Inpatient acute care hospitals (ACHs), children's hospitals, cancer hospitals, and critical access hospitals (CAHs) can request payments for up to a six-month (rather than three-month) period, and CAHs in particular may request up to 125% of their expected payment amount for that period. Inpatient rehabilitation hospitals (IRFs) are eligible for the standard amount of up to 100% of expected payments for a three-month period.

➤ **How Do I Apply?**

CMS has published a step-by-step guide for applications in their AAPP fact sheet linked above. Providers and suppliers should fill out a Request Form, which is provided by their individual region's MAC. Forms are published on each MAC website and providers and suppliers can also contact their MAC's COVID-19 hotline for assistance. To identify your region's designated MAC, click [here](#). The Request Form must be executed by an authorized representative, and suppliers/providers should state on the Request Form that they are experiencing cash flow problems due to COVID-19. Electronic submission is strongly encouraged, but mail or fax is accepted.

➤ **What Happens After I Apply?**

Assuming your facility meets eligibility criteria, the MACs should issue requested payments within 7 calendar days of the request. For 120 days after the payment is issued, providers and suppliers can continue their usual claims submission process and receive full payments. After that period, newly submitted claims will not be paid out, but will be automatically offset against the entity's outstanding balance on the AAPP payment. After 210 days from the date the payment was issued (one full year for ACHs, CAHs, children's hospitals, and cancer hospitals), a MAC will send a repayment request for any remaining balance. (After that the interest rate is relatively high; about 10% on an annual basis. CMS is expected to clarify the timing of interest accrual soon.)

For further questions, please contact any Powers attorney with whom you usually work. For the latest news, information, and insights on COVID-19, please visit our resource hub at <https://www.powerslaw.com/covid-19/>.