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Hospital and Physician Practice and Nursing Home Alert: CMS Expands Accelerated and Advance Payment Program

On March 28, 2020, in connection with the recently enacted Coronavirus Aid, Relief, and Economic Security (CARES) Act, the Centers for Medicare & Medicaid Services (CMS) announced it is expanding its accelerated and advance payment program (AAPP) to lessen the financial hardships Medicare providers are facing as they respond to the COVID-19 pandemic. This is the most recent regulatory announcement by CMS in response to the pandemic. CMS has also announced expansions to telehealth benefits for Medicare beneficiaries and provided guidance on the PACE program related to the current public health emergency.

The AAPP provides emergency funding to Medicare providers including physicians, hospitals, skilled nursing facilities, and durable medical equipment providers when there is a disruption in claims submission or processing due to circumstances such as natural disasters. CMS is now expanding the program to all qualified Medicare providers during the COVID-19 pandemic.

Under the AAPP, accelerated and advance payments are made based upon historical Medicare claims and are then recouped from future Medicare payments. Physician medical practices and skilled nursing facilities are eligible to receive up to 100 percent of the Medicare payment for a three-month period. Inpatient acute care hospitals, children's hospitals and certain cancer hospitals are eligible for 100 percent of the Medicare amount for a six-month period and critical access hospitals can request 125 percent of the Medicare amount for a six-month period.

To qualify for the AAPP, eligible providers and suppliers must meet the following requirements:

- Have billed Medicare for claims within 180 days immediately prior to the date of signature on the AAPP request form;
- Not be in bankruptcy;
- Not under active medical review or program integrity investigation; and
- No outstanding delinquent Medicare overpayments.

CMS extended the repayment period to 120 days after the date the payment is issued. After 120 days, acute care hospitals, children's hospitals, certain cancer hospitals and critical access hospitals will have up to one (1) year from the date the AAPP payment was issued to repay the balance. All other AAPP recipients will have 210 days from the date the payment was issued to repay.

To request an AAPP payment, providers must complete the Accelerated/Advance Payment Request forms on their Medicare Administrative Contractor's website. If payment is approved, it should be expected within seven (7) days of the request being submitted. CMS has provided an informational fact sheet and directions on how to submit a request.

Any provider experiencing a cash flow shortage as a result of COVID-19 should explore taking advantage of the AAPP program. Saul Ewing Arnstein & Lehr's lawyers regularly assist health care providers with compliance with Medicare programs and responding to the business and legal challenges posed by the current public health emergency. For questions about how this guidance affects your practice or company, please reach out to the authors of this article.

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