



LAW ALERT

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CMS SUSPENDS ACCELERATED AND ADVANCE PAYMENT PROGRAM TO MEDICARE SUPPLIERS

On April 26, 2020, the Centers For Medicare & Medicaid Services ("CMS") announced that, effective immediately, it is suspending its Advance Payment Program and reevaluating the amounts that it will pay to Medicare Part B suppliers under its Accelerated Payment Program. Accordingly, CMS will no longer be accepting any new applications for the Advance Payment Program and will reevaluate all pending and new applications received for Accelerated Payments. This step is being taken by CMS in light of the massive funding that has now been appropriated by Congress under the Coronavirus Aid, Relief, and Economic Security (CARES) Act and through the Paycheck Protection Program and Health Care Enhancement Act for healthcare providers, which the Department of Health and Human Services ("HHS") is distributing through the Provider Relief Fund.

CMS had announced an expansion of its Accelerated and Advance Payment Program for Medicare providers and suppliers back on March 28, 2020 to help provide resources needed to meet the Covid – 19 public health emergency. This program was a temporary loan program to give Medicare Part A and Part B providers emergency funding to address cash flow issues at a time when there was a disruption in claims submission or processing.

Until April 26, 2020 qualified Medicare Part A and Part B providers and suppliers were permitted to submit accelerated payment applications to their respective Medicare Administrative Contractors ("MACs"). Most qualified providers were then eligible to receive an amount equal to 100% of the Medicare payment amount historically paid by CMS to the provider for a three month period. (Hospitals were eligible to request an amount equal to payments for a six-month period). CMS approved over 21,000 applications totaling \$59.6 billion in payments to Part A providers, which includes hospitals, and also approved almost 24,000 applications advancing \$40.4 billion in payments to Part B suppliers, including doctors, non-physician practitioners and durable medical equipment suppliers. These advanced funds, however, were not a grant. They will have to be repaid by most providers/suppliers through a recoupment process within 210 days after receipt of the payments. The recoupment by CMS begins at the end of 120 days after issuance of the payments by CMS.

Certain hospitals will have up to one year to repay the balance of payments. A description of the March 28th expansion of the Accelerated and Advance Payment Program for Medicare providers and suppliers during the Covid – 19 crisis was described in a Health Law Alert issued by this firm on April 1, 2020, a copy of which is available [here](#).

CMS has now decided that it will not be accepting any new applications for the Advance Payment Program and that it will be reevaluating all pending and new applications already filed, since there is other funding available to providers from HHS through the Provider Relief Fund.

For more information on the CARES Act Provider Relief Fund and how to apply, visit: hhs.gov/providerrelief.

If you have any questions, please contact

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