



HEALTH LAW ALERT

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ACCELERATED PAYMENT PROGRAM FOR MEDICARE PROVIDERS AND SUPPLIERS DURING COVID-19 CRISIS

On March 28, 2020, the Centers for Medicare & Medicaid Services (“CMS”) announced an expansion of its Accelerated and Advance Payment Program for Medicare providers and suppliers to help provide resources needed to meet the COVID-19 public health emergency. The Accelerated and Advanced Medicare Payments (“Accelerated Payments”) are intended to address cash flow issues and provide emergency funding to Medicare providers at a time when they are being challenged by depleted staff, reduced patient encounters, disruptions to billing, collection, and claims processing, and delays of non-essential surgeries and procedures. Expedited payments have historically been offered by CMS to impacted providers during natural disasters to accelerate cash flow. Now CMS has expanded its accelerated funding program to all qualified Medicare providers during the COVID-19 crisis. These Accelerated Payments can now be requested by hospitals, doctors, durable medical equipment suppliers, and other Medicare Part A and Part B providers and suppliers.

ELIGIBILITY:

To qualify for the Accelerated Payments, a provider or supplier must:

- Have billed Medicare for claims within 180 days immediately prior to the filing date of the request form;
- Not be in bankruptcy;
- Not be under active medical review or program integrity investigation by CMS; and
- Not have any outstanding delinquent Medicare overpayments.

CMS has issued an informational fact sheet (Guidance) ([available by clicking here](#)) on the Accelerated Payment program and how to submit a request for funds. Medicare intends to begin accepting and processing requests for Accelerated Payments immediately and anticipates that the payment will be issued within approximately seven days of receipt of a properly completed request form.

PROCESS/AMOUNT OF PAYMENT:

To obtain the Accelerated Payment, providers will be expected to file a request for a specific amount using an Accelerated Payment Request Form to be found on the website of the applicable Medicare Administrative Contractor (“MAC”) that covers the geographical region where the provider is located. Most providers will be 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 will be eligible to request an amount equal to payments for a six-month period.

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REPAYMENT:

Repayment to CMS via a recoupment process will begin 120 days after the date of issuance of the Accelerated Payment. The repayment timeline is based upon the provider type. Most hospitals [1] will have up to one year from the receipt of the payment to repay the balance. All other Part A and Part B providers and suppliers will have up to 210 days from receipt of the payment to repay the balance.

RECOUPMENT AND RECONCILIATION:

The provider/supplier will be able to submit Medicare claims as usual after the issuance of the Accelerated Payment. During the initial period of 120 days after issuance of the payment, providers will receive full payment for their properly submitted claims. At the end of the 120-day period, the recoupment process will begin and every new claim submitted by the provider from that point will be offset by CMS to repay the Accelerated Payment. Thus, instead of receiving payment for these new claims, the amount of the new claim would go to CMS to reduce the outstanding balance of the provider's Accelerated Payment. This process will be automatic and will continue until full recoupment is reached (within one year for most hospitals, and within 210 days for other providers). [2]

The CMS Guidance states that electronic submission of the request form will significantly reduce the processing time, but the request can be submitted to the appropriate MAC by fax, email, or mail. Additional information about the process will be available on the website of each MAC.

The Accelerated Payment from CMS appears to be another attempt by the federal government to provide support for businesses, specifically health care businesses, during the current COVID-19 public health emergency. The Accelerated Payment appears to be akin to a short-term, interest-free “loan” to help tide Medicare providers over the current crisis, with an automatic recoupment of the loan amount over a period of time.

While there may be some unanswered questions at this time as to whether certain providers may be considered ineligible to receive the Accelerated Payments, and whether providers appealing post-payment denials or undergoing a Zone Program Integrity Contractor (“ZPIC”) audit might be deemed to be ineligible as a provider “undergoing a medical review or investigation,” it would appear that this Accelerated Payment Program is an opportunity to provide much needed assistance to the vast majority of Medicare providers and suppliers.

[1] This includes inpatient acute care hospitals, children’s hospitals, certain cancer hospitals, and critical access hospitals.

[2] For a small subset of Part A providers who receive Period Interim Payments (PIP), the Accelerated Payment reconciliation process will happen at the final cost report process, 180 days after the fiscal year closes.

If you have any questions, please contact

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