



August 3, 2020

The Honorable Seema Verma
Administrator
Centers for Medicare & Medicaid Services
U.S. Department of Health and Human Services
200 Independence Avenue SW
Washington, DC 20201

Re: Medicare Accelerated and Advance Payment Program

Dear Administrator Verma:

The Medical Group Management Association (MGMA) respectfully requests that you delay and modify repayment obligations for loans under the Medicare Accelerated and Advance Payment Program (APP), as the repayment process is scheduled to begin soon.

On behalf of our member medical group practices, we appreciate that the Centers for Medicare & Medicaid Services (CMS) worked quickly to provide APP loans to physicians who needed financial assistance following the program's expansion through the Coronavirus Aid, Relief, and Economic Security (CARES) Act. After expanding this temporary loan program on March 28, 2020, CMS expeditiously issued payments to successful applicants, often within one week. We have heard from our members that financial assistance efforts, such as the APP, have allowed them to stay open to their patients despite facing steep declines in revenue and increased expenses due to COVID-19. However, we are also hearing significant concerns about the ability of physician practices to repay APP loans.

The intent of the APP is to assist with cash flow issues, which remain an issue, even as loan payments begin to come due. For example, medical group practices continue to report that patient volume is down from what it was this time last year. By June 2020, patient volume and revenue were still down nearly 25%, respectively, and the ability to schedule in-person visits is a continuing top-line concern according to an MGMA survey. On top of decreased revenue, practices face increased expenses due to inflated prices for personal protective equipment, which leads to a higher cost per encounter for those patients who are comfortable coming into the office; maintaining extended office spaces in tents or parking lots; added employees to conduct patient and staff screenings; telehealth software; and costs incurred from expanded testing.

To continue its support of medical group practices, we urge CMS to leverage existing regulatory and statutory authorities to make the following changes to the APP:

- Postpone recoupment until 365 days after the advance payment is issued;
- Reduce the per-claim recoupment amount from 100% to 25%;
- Extend the repayment period for physicians to at least two years; and
- Waive the interest that accrues during the extended payment period.

Congress is currently contemplating legislative improvements to the APP as part of the next COVID-19 relief package. While these efforts continue to be ironed out, at the very least, we urge CMS to suspend

recoupment of APP loans via Medicare claims to allow lawmakers the opportunity to implement critical updates.

We sincerely appreciate the work the Administration has done over the past several months, which has provided our member group practices with the financial support and administrative flexibility necessary to continue furnishing patient care. Given continuing revenue shortfalls and economic uncertainty, there remains a need for further action to preserve the viability of group practices. Thank you for considering our request. If you have any questions, please contact Mollie Gelburd at mgelburd@mgma.org or 202-293-3450.

Regards,

/s/

Anders Gilberg, MGA

Senior Vice President, Government Affairs