



Medicare Accelerated and Advance Payment Program

-last updated July 8, 2021-

Overview

On March 28, 2020, the Centers for Medicare & Medicaid Services (CMS) [announced](#) a nationwide expansion of the Medicare Accelerated and Advance Payment Program (AAP), making the program available for most Medicare physicians and group practices. The AAP is an expanded version of the Periodic Interim Payment program that has existed for hospitals. The program is intended to provide necessary funds when there is a disruption in claims submission and/or claims processing.

CMS suspended applications for the AAP, so there is no current process to access loans via this program. However, recoupment of previously issued loans is due to begin in April 2021.

Eligibility & Application Details

Eligibility

The criteria for Medicare providers and suppliers applying for the APP are: (1) Have billed Medicare for claims within 180 days immediately prior to the date of request; (2) Not in bankruptcy; (3) Not under active medical review or program integrity investigation; and (4) No outstanding delinquent Medicare overpayments.

Application/Request Form

Healthcare entities must make a request for an accelerated payment under the APP by submitting a form to their MAC. To locate your MAC, click [here](#). Request forms must include an entity's legal business name, address, national provider identifier (NPI), and any "[o]ther information as required by the MAC."

Timeframe

Once requested, CMS anticipates MACs will issue payment within seven calendar days from the request. Loan repayment timelines are detailed below.

Loan Amounts

Physician practices can request an advanced payment of up to 100% of the Medicare payment amount based on a three-month lookback period. Hospitals can request up to 100% (125% for critical access hospitals) based on a six-month lookback period. CMS guidance does not specify how the lookback period is determined.

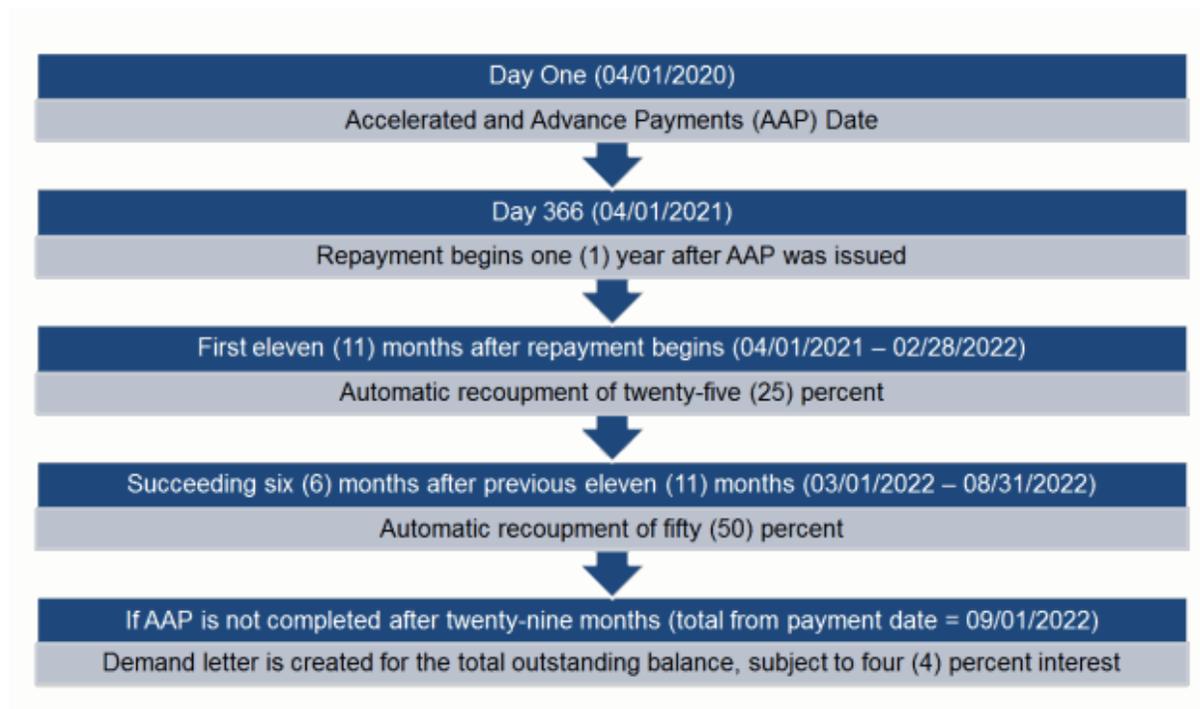
Loan Repayment *updated*

Repayment Overview

Following MGMA advocacy*, Congress amended the AAP repayment terms through the Continuing Appropriations Act, 2021. Recoupment of AAP loans will now begin **one year** after the advance payment was issued to a provider. After the first year, Medicare will automatically recoup 25% of Medicare payments for a period of 11 months. At the end of the 11-month period, recoupment will increase to 50% for another 6 months. This recoupment timeline also applies to all providers who are part of an organization that has multiple Provider Transaction Account Numbers (PTANs) or CMS Certification Numbers (CCNs) associated with a single Tax Identification Number (TIN). In this case, the recoupment timeline will begin after the date the first loan payment was issued for the entire TIN.

After the recoupment period has ended (29 months after the issuance of the original AAP loan), if there is still an outstanding balance, CMS expects to issue a demand letter requiring repayment of the balance. This balance must be paid within 30 days, or it will accrue interest at a rate of 4%, starting from the date the demand letter was issued. Interest will be assessed for each full 30-day day period that the balance remains unpaid. There is no interest assessed on loans repaid before this time.

Sample Recoupment Timeline



**Previously, repayment was set to begin 120 days after the payment was received. During the repayment period, every claim submitted to Medicare could be offset by as much as 100% to repay the advanced payment. Loans not repaid within 210 days of loan disbursement (i.e., 90 days from the date that repayment begins) were subject to interest rates of up to 10.25%.*

Paying Off the Balance

Providers can contact their MAC at any time for payment information and details about the outstanding balance of their AAP loan repayment.

Rather than repay AAP loans via automatic claims recoupment, providers may choose to repay loans as a lump sum (or multiple lump sum payments) directly to their Medicare Administrative Contractor (MAC). Providers may choose this repayment option even if automatic claim recoupment has already begun. Group practices interested in this repayment option should consult with their MAC for details.

Remittance Advice

CMS [announced](#) that the recoupment of AAP loans began in the form of automatic claim withholds for some providers as early as March 31, 2021. MACs will show the recouped amount on their Remittance Advice issued for Medicare Part A and B claims processed after the one-year anniversary of when the first loan payment was issued. The recoupment will appear as an adjustment in the Provider-Level Balance section of the Remittance Advice. These adjustment transactions are coded to include “CVD” to represent “COVID-19” and indicate that they relate to AAP recoupment.

Demand Letters

If there is an outstanding balance at the end of the recoupment period, CMS expects to issue a demand letter specifying the remaining balance. Once a demand letter has been issued, CMS will employ its normal overpayment recovery processes, which typically entails recoupment at 100% until the remaining AAP balance is repaid in full.

After a demand letter is issued, medical groups have the opportunity to request an alternate repayment timeline, referred to as an Extended Repayment Schedule (ERS). A medical group would need to meet specified criteria for financial “hardship” or “extreme hardship” under [42 C.F.R. 401.607\(c\)\(2\)](#) in order to be eligible for an ERS. Each MAC’s website has information on how to submit these requests, as well as information on the criteria that must be met for approval.

Other Legal and Financial Considerations

Providers with unique legal and financial considerations impacting their ability to repay AAP loans (i.e., are no longer able to bill Medicare, have filed for bankruptcy, have experienced a change in ownership, are permanently closing their business, etc.) should reference the [CMS FAQ](#) for further guidance.

Additional Resources

- [CMS Fact Sheet on AAP](#)
- [CMS FAQ](#) *updated June 24, 2021*
- [MAC Website List](#)