

CMS must restart Medicare advance payments and cover Medicaid too

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Andis Robeznieks

Senior News Writer

What's the news: The AMA is urging the Centers for Medicare & Medicaid Services (CMS) to reinstate its Accelerated and Advance Payment (AAP) Program and to expand it to cover Medicaid services for the duration of the COVID-19 public health emergency.

The AMA hailed CMS when it expanded the AAP program, which provides physicians with an emergency cash advance—based on historical payments—to compensate for the disruption in claims submission and processing during the COVID-19 pandemic.

CMS, however, paused the AAP program for an evaluation on April 26.

“Given the uncertainty facing physician practices as the pandemic is on different surge timelines in communities across the country, we fear physician practices may not resume normal operation in the immediate future and will continue to need access to cash flows to keep their doors open for patients,” AMA CEO and Executive Vice President James L. Madara, MD, wrote in a letter to CMS Administrator Seema Verma.

Dr. Madara also spoke directly to Verma by phone on April 27 and urged her to restart the AAP program and to authorize similar advance payments or retainer payments to allow state Medicaid programs to provide critically needed funds to physician practices.

Also, as practice revenue drops while patients remain at home and physicians delay non-urgent services and procedures, more flexibility is needed for the terms of repayment. The AMA urges CMS to use the full extent of its statutory discretion to do the following:

- Extend the repayment period for physicians to at least two years.
- Reduce the recoupment amount to a maximum of 25% of claims to ensure that the recoupment process does not result in a future sudden stoppage of Medicare revenue to practices.

Waive the interest rate that applies to advance payment balances after the initial repayment period.

Why it's important: Many pediatric, ob-gyn and safety-net practices have not been able to receive AAP payments and are in critical financial condition.

“While the CARES Act and the recently enacted Paycheck Protection Program and Health Care Enhancement Act may provide much needed financial relief for many physicians, we are concerned that the resources provided may not reach Medicaid practices and providers and that these funds alone may not be sufficient to sustain practices and ensure patient access,” Dr. Madara wrote.

Many state medical associations have reported to the AMA that their state Medicaid directors have told them that the CMS is not permitting such payments. The AMA believes CMS has broad authority under section 1115(a)(2) waivers to allow Medicaid retainer payments and is strongly urging the agency to do so for the duration of the COVID-19 public health emergency.

Also, without the recommend flexibility for repayment, “physicians are merely delaying the financial misery experienced at the outset of this pandemic until later this year,” Dr. Madara wrote.

“There are physician practices in all types of specialties and practice settings that have either temporarily closed or will be forced to do so in coming weeks,” he added. “We are concerned that, without immediate financial assistance, the safety net that these Medicaid practices provide may not survive and our nation will lose a vital and critical part of our health care infrastructure.”

To learn more: Read the AMA’s summary of the COVID 3.5 bill and learn how physician practices can get help under the CARES Act.

Stay up to speed on the AMA’s COVID-19 advocacy efforts and track developments with the AMA's COVID-19 resource center, which offers a library of the most up-to-date resources from JAMA Network™, the Centers for Disease Control and Prevention, and the World Health Organization