

# Medicare advance payments



## Overview

As part of the CARES Act, providers and suppliers (including physician practices) became eligible to request up to 100% of the Medicare payment amount they have historically received over a prior 90-day period. Any advance payments received are in essence loans in the form of cash advances and are subject to automatic recoupment by CMS or repayment by the provider or supplier.

Successful applicants should have received advance payments within seven calendar days of applying to their Medicare Administrative Contractor (MAC).

## Timeframe

The program began on March 30, 2020 and was initially expected to continue for the duration of the PHE declaration. **On April 26, 2020 CMS announced that it is reevaluating the amounts that will be paid under its Accelerated Payment Program and suspending its Advance Payment Program to Part B suppliers, including physicians, effective immediately.** The agency made this announcement in light of the \$175 billion already appropriated for health care provider relief payments. While it is not known whether the program will be resumed, the AMA has strongly urged CMS to quickly reinstate the program with more flexible terms and to allow advance payments for Medicaid providers. This section has been retained in the event the program is resumed and as a source of information for physicians who have already applied for or received advance payments.

## Eligibility

All Medicare-enrolled physician clinics (and other “suppliers”) were eligible to apply for an advance payment from CMS via their local MAC. Applications were submitted at the level of the individual enrolled physician, specifically at the Provider Transaction Access Number (PTAN) and National Provider Identifier (NPI) level. Grouping of multiple physicians under one taxpayer identification number (TIN) was **not** permitted. However, some MACs did previously indicate that they might allow the submission of a spreadsheet listing all the applicant PTANs/NPIs in connection with one supplier on one form rather than requiring completion of multiple forms for the same legal entity.

To have been eligible, physician practices had to:

- Have billed Medicare for claims within 180 days immediately prior to the date of signature on the provider’s/supplier’s request form
- Not be in bankruptcy
- Not be under active medical review or program integrity investigation
- Not have any outstanding delinquent Medicare overpayments

## Amount of funds available

As already noted, CMS suspended the program on April 26, 2020. Whether additional funds will be made available to the program is unknown. The following information is provided as a service to practices that have received funds for ready access to the key procedures, terms and conditions.

- Physician clinics could request up to 100% of the Medicare payment amount they have historically received over a 90-day period. As recently indicated on various MAC websites and updated application forms (as of April 3, 2020), physician clinics applying for advanced payments **DID NOT** have to determine a dollar amount. Instead, physician clinics could simply indicate on the MAC application form the maximum amount payable as determined by CMS is requested, which we understood CMS (or the MAC) would calculate for the time period Oct. 1–Dec. 31, 2019.
- If the physician clinic preferred a lesser amount, then it could indicate that requested amount on the application form.
- In the event an applicant physician clinic requested less than the full amount payable over the 90-day period, it was permissible for the clinic to later request the balance of the maximum funds available.

### Repayment terms

- CMS will recover the advance payments through an automatic recoupment against all newly submitted and outstanding claims for payment. However, if desired, a physician clinic receiving advanced payments can elect to repay those advance funds directly, in whole or in part, rather than undergo recoupment. In such event, a physician clinic should indicate “COVID-19 Accelerated/Advance Payment Repayment” on the check in the memo field or in documentation submitted with the check.
- The automatic recoupment of funds will begin 120 days after disbursement. This recoupment will continue for a 90-day period through day 210 post payment.
- Physician clinics receiving advance payments can continue to bill and collect for services in the ordinary course. However, after 120 days any claims to be paid will instead be used to offset the advance payment, unless the physician clinic requests that something less than 100% of the claims be recouped.
- Should the advance funds be recovered sooner or should the physician clinic elect to directly repay any advance funds, the recoupment will automatically end.
- Should the advance funds not be fully recovered in the allotted time frame, CMS will issue a demand for payment of the outstanding funds.
- Should the repayment timeframe constitute a hardship on a physician clinic receiving advance funds, the physician clinic can request an extended timeframe for repayment. Any funds not recouped or repaid after 210 days will be charged interest at a rate of 10.25%—beginning 30 days *after* a written payment demand letter is issued.
- Should CMS charge interest on any unpaid advanced payments, such interest would only be applied to any payment amounts remaining after the recoupment period has elapsed.

### Loan forgiveness

Not available at this time

### Payment deferment

If repayment of the accelerated or advance payment funds will constitute a hardship on the physician clinic, the clinic can request an amount less than 100% be recouped and can further request an extended repayment plan that goes beyond 210 days. In the event an extended repayment plan exceeds 210 days, an interest rate of 10.25% will be charged on the outstanding funds until repaid. See the AMA's [FAQs](#) on this program for more information.

### Use of funds

The use of funds is unrestricted but is presumed to be for operations.

### Certification

Not required under the CARES Act but note the eligibility requirements above that will be validated by the MAC. Further, because individual MAC application forms may vary, they could have included varying degrees of certification statements.

### Application instructions

Any physician clinic that was interested in receiving advance payments must have completed the form(s) supplied by their MAC.

MAC contact information and resources for advance payments	
MAC/Jurisdiction	Resources
<b>CGS Administrators (Jurisdiction 15)</b> Toll free hotline: (855) 769-9920	<a href="#">Advance payments (information)</a> <a href="#">Advance payments (form)</a>
<b>First Coast Service Options, Inc. (Jurisdiction N)</b> Toll free hotline: (855) 247-8428	<a href="#">Advance payments (information)</a> <a href="#">Advance payments (form)</a>
<b>National Government Services (Jurisdiction 6 and Jurisdiction K)</b> Toll free hotline: (888) 802-3898	<a href="#">Advance payments (information)</a> <a href="#">Advance payments (form)</a> <a href="#">Covid-19 news page</a>
<b>Novitas Solutions (Jurisdiction H and Jurisdiction L)</b> Toll free hotline: (855) 247-8428	<a href="#">Advance payments (information)</a> <a href="#">Advance payments (request portal)</a> (Provider must enter preliminary data to obtain request form)
<b>Noridian Healthcare Solutions (Jurisdiction E and Jurisdiction F)</b> Toll free hotline: (866) 575-4067	<a href="#">Advance payments (information)</a> <a href="#">Advance payments (form)</a>
<b>Palmetto GBA (Jurisdiction J and Jurisdiction M)</b> Toll free hotline: (833) 820-6138	<a href="#">Advance payments (information)</a> <a href="#">Advance payments (form)</a> <a href="#">COVID-19 accelerated/advance payment requests</a>
<b>Wisconsin Physician Services (Jurisdiction 5 and Jurisdiction 8)</b> Toll free hotline: (844) 209-2567	<a href="#">Advance payments (information)</a> <a href="#">Advance payments (form)</a>

\* Note the MACs continue to update their guidance and forms and, as a result, the links above may be inactive. If the link for your MAC does not work, go to your MAC's webpage and navigate to "COVID Advance Payment."

## Availability of funds

The physician clinic should have been notified by the time of program suspension if its application was successful. If approved, accelerated or advanced payments would have been disbursed within seven days of submission of the application.

## Additional resources

The AMA published additional information on this program when it was active on its [CARES Act: Medicare advance payments for COVID-19 emergency](#) website and [FAQs](#).