

TYPES NOT MAPPED YET April 16, 2021 | TTR not mapped yet | Nicole K. Jobe

What you need to know about CMS's recovery of COVID-19 Accelerated and Advance Payments

Background on Accelerated and Advance Payments

In March of 2020, CMS expanded the COVID-19 Accelerated and Advance Payments (CAAP) Program to additional Medicare Part A providers and Part B suppliers in response to the COVID-19 pandemic. An accelerated or advance payment is a payment that is designed to help cash flow disruptions during a national emergency.

In line with the *CARES Act* and under the *Continuing Appropriations Act, 2021 and Other Extensions Act*, repayment under the CAAP Program begins one year from the date of each issued payment to a provider or supplier.

CMS announcement and repayment terms

On April 1, 2021, CMS announced that, beginning March 30, 2021, it began recovering CAAPs received by Medicare providers and suppliers whose one year repayment date is up.

A provider or supplier may repay their CAAP by contacting their Medicare Administrative Contractor (MAC). If such CAAP is repaid in full, the repayment terms noted below will not apply.

If a CAAP is not repaid in full (as detailed above) the following repayment terms will apply:

- The repayment process will begin automatically. Repayment for each CAAP will begin one year from the issuance date of such payment.
- Once repayments begin, Medicare providers and suppliers will continue to submit claims, but a portion of the new claims will be offset to repay the CAAP (25% during the first 11 months of repayment and 50% during the next 6 months).
- If the CAAP is not paid in full after month 29, the MAC will issue a demand letter to the provider or supplier requesting payment of the remaining balance. If payment is not received in full within 30 days from the date of the letter, interest will begin accruing on the outstanding balance at a rate of 4%.
- If a provider or supplier received a CAAP and never reopened his/her provider or supplier location, then the provider or supplier is not penalized but will be required to repay the full amount at the end of the 29-month period. MACs will issue letters for any outstanding balanced owned as detailed above.

If experiencing financial hardship, providers and suppliers are encouraged to reach out to their MAC to request an Extended Repayment Schedule (ERS) after a demand letter is issued. An ERS is a debt installment payment plan, which allows a provider or supplier to pay their debts over a three-year period. In cases of extreme hardship, the plan can be extended up to five years.



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