ACCELERATED AND ADVANCE PAYMENT
REPAYMENT & RECOVERY
FREQUENTLY ASKED QUESTIONS

TERMINOLOGY

1. What is an “Extended Repayment Schedule”?

   A. An “Extended Repayment Schedule (ERS)” is a statutorily authorized debt payment schedule, which allows a provider or supplier experiencing financial hardship to pay debts over the course of three years. This can be extended to as many as five years, where certain extreme hardship criteria are met. Providers and suppliers are able to request an ERS after letters requiring reimbursement are issued. Providers and suppliers should contact their Medicare Administrative Contractor (MAC) for information on how to request an ERS. A provider or supplier would need to meet specified criteria related to financial “hardship” or “extreme hardship” under 42 C.F.R. 401.607(c)(2) in order to be eligible for an ERS.

2. What is “periodic interim payment (PIP)”?

   A. “Periodic interim payment” is a method of payment used for certain services furnished in hospitals or by skilled nursing facilities under which providers receive reimbursement for healthcare services rendered to beneficiaries in lump sum bi-weekly (unless the provider requests a longer fixed interval) payments. For more information, please refer to 42 CFR 413.64(h).

3. What is included in “payments for items and services furnished”?

   A. “Payments for items and services furnished” includes any Medicare claims payment amount for providers and suppliers, as well as bi-weekly payments to PIP providers.

4. What does “recoupment” mean for the purposes of recovering accelerated or advance payment loans?

   A. “Recoupment” means the recovery by Medicare of any outstanding Medicare accelerated and advance payment loans by reducing present or future Medicare payments and applying the amount withheld to the outstanding loan balance.
5. **How long will my payments for items and services furnished be recouped?**

   **A.** Providers and suppliers are not required to repay accelerated and advance payments until one year after the payment was issued. After the one year period has ended, Medicare payments owed to providers and suppliers will be recouped according to the repayment terms.

   The repayment terms specify that for the first 11 months after repayment begins, repayment will occur through an automatic recoupment of 25% of Medicare payments otherwise owed to the provider or supplier. At the end of the eleventh month period, recoupment will increase to 50% for six months.

   At the end of the six months (29 months from the initial accelerated or advance payment), the MAC will determine if a balance remains, and, if so, issue a letter for full repayment of any remaining balance. If payment is not received within 30 days, interest will accrue at the rate of 4% from the date the letter was issued, and will be assessed for each full 30-day period that the balance remains unpaid.

6. **Can I extend how long recoupment will continue instead of getting an overpayment letter?**

   **A.** No, the repayment process commences automatically one year after issuance of the accelerated or advance payment. The statute provides that the repayment process ends after the 29th month after the issuance of the accelerated or advance payment.

7. **What happens if I still owe money after the repayment timeframe ends?**

   **A.** After the repayment timeframe has ended, the MAC will issue a letter for payment of any remaining balance. If payment is not received within 30 days, interest will accrue at the rate of 4% from the date the letter was issued, and will be assessed for each full 30-day period that the balance remains unpaid.
Paying Off the Balance

8. If I have made voluntary lump sum payment(s), how do I confirm the balance, if any, I owe?

A. Providers and suppliers may contact their assigned MAC to confirm the outstanding balance of an accelerated or advance payment.

9. Can I pay off the entire balance of my accelerated or advance payment before or after repayment begins? If yes, How?

A. Yes, providers and suppliers can submit one or more lump sum payment. Please contact your MAC for more instructions on how to make a lump sum payment, especially if payment will be made after the repayment timeframe begins.

10. How will repayment of my accelerated or advance payment interact with repayment or recovery of any other outstanding overpayments I may have?

A. Any payments made to CMS for outstanding overpayments will be applied to any outstanding interest on the oldest debt first, followed by the principal on the oldest debt. Please note, any other existing Medicare debt will not be subject to the special repayment terms for accelerated and advance payments.

Reducing or Postponing Repayment

11. Can I request to reduce the recoupment percentage or defer recoupment?

A. No, CMS will not reduce the repayment percentage or defer recoupment at the request of a provider or supplier, as the terms are specified by Congress in the Continuing Appropriations Act, 2021 and Other Extensions Act.

12. I still have not reopened my provider or supplier location, will I be penalized if I cannot submit claims to repay the accelerated or advance payment?

A. No, providers and suppliers who are not submitting claims will not be penalized, however, once the repayment timeframe ends after 29 months, MACs will issue letters for any outstanding balance owed. If payment is not received within 30 days, interest will accrue at the rate of 4% from the date the letter was issued, and will be assessed for each full 30-day period that the balance remains unpaid.
ISSUANCE OF LETTERS REQUIRING REIMBURSEMENT

13. I received a letter requiring reimbursement for the balance of my accelerated or advance payment. What interest rate applies?

A. An interest rate of 4% applies to overpayments associated with accelerated or advance payments issued during the COVID-19 Public Health Emergency.

14. Can I request an Extended Repayment Schedule?

A. Yes, providers and suppliers are able to submit a request for an Extended Repayment Schedule (ERS) to their assigned MAC after a letter is issued. A provider or supplier would need to meet specified criteria related to 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 such a request, as well as information on criteria that must be met in order for MACs to approve requests for ERSs.

PERIODIC INTERIM PAYMENT (PIP) PROVIDERS

15. How will repayment work for PIP providers?

A. The repayment process from bi-weekly PIP payments will begin one year from the date the provider received their accelerated payment. Once the repayment process begins, for the first eleven months, bi-weekly payments and any other payments made to PIP providers will be offset by 25% to repay their accelerated payments. After eleven months, if a balance still remains, payments will continue to be offset at 50% for an additional six months. Part A PIP providers will have twenty-nine months from the date the accelerated payment was issued to repay the balance, prior to the issuance of a letter requiring reimbursement. Accelerated payments will not be included in the reconciliation and settlement of final cost reports.

16. How will accelerated or advance payments be treated on the cost report?

A. Accelerated or advance payments will not be included in the reconciliation and settlement of final cost reports.
DISCREPANCIES AND ISSUES

I DON’T THINK CMS IS RECOUPING THE RIGHT PAYMENTS TO REPAY MY AAP

17. I did not receive an accelerated or advance payment under this NPI/PTAN, why are my payments being recouped?

A. Providers and suppliers payments may be recouped for a variety of reasons, including the existence of overpayments unrelated to AAP debt. Providers and suppliers are encouraged to contact their MAC for clarification or resolution of repayment questions.

IT’S ALREADY BEEN PAID

18. I have already repaid my entire AAP. Why are my payments still being held?

A. There are many reasons why a provider or supplier may not receive payments. Providers and suppliers experiencing this situation are encouraged to contact their MAC for clarification or resolution of repayment issues.

19. How do I ask for a reconciliation? I believe CMS has recouped more than the value of my AAP.

A. Providers and suppliers should contact their MAC to receive current balance and payment information related to the repayment of their AAP payment.

BANKRUPTCY

20. Repayment will push me into bankruptcy. Are there any alternatives?

A. Providers and suppliers who find that they may struggle with repayment are encouraged to contact their MACs. For example, once a letter requiring reimbursement is issued, CMS may grant a request for an Extended Repayment Schedule if a provider or supplier is experiencing hardship and meets the criteria discussed above. A provider or supplier would need to meet specified criteria related to financial “hardship” or “extreme hardship” under 42 C.F.R. 401.607(c)(2) in order to be eligible for an ERS.
21. I have filed for bankruptcy. How do I stop repayment?

A. Providers and suppliers who have filed for bankruptcy must notify their MAC to ensure CMS has timely notice that they have filed for bankruptcy so that CMS can properly resolve Medicare financial obligations.

**BALANCE/ STATUS OF REPAYMENT**

22. How do I check the balance of my AAP loan?

A. Providers and suppliers should contact their MAC to receive current balance and payment information related to the repayment of their AAP payment.

23. Will I receive notice of which payments for items and services furnished were offset?

A. Providers and suppliers will see the offset amount reflected on their Remittance Advice. Providers and suppliers should contact their MAC to receive current balance and payment information related to the repayment of their AAP payment.

**CONSISTENCY WITH PREVIOUS ADMINISTRATION OF AAP**

24. Is this repayment process how CMS has always handled accelerated and advance payments?

A. Yes, in general, the current process for repaying accelerated and advance payment is the same as the repayment process used for all overpayments in that accelerated and advance payments are usually repaid by offsetting payments for items and services furnished. However, in light of the passage of Continuing Appropriations Act, 2021 and Other Extensions Act, the timeline, percentage of offset, and interest rate on any resulting overpayment have been modified to provide additional financial relief to distressed providers and suppliers during this public health emergency.