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Repayment of COVID-19 Accelerated and Advance Payments Began on March 30, 2021

MLN Matters Number: SE21004
Related Change Request (CR) Number: N/A
Article Release Date: April 1, 2021
Effective Date: N/A
Related CR Transmittal Number: N/A
Implementation Date: N/A

Provider Types Affected

This Special Edition MLN Matters Article is for all Medicare providers and suppliers who requested and received COVID-19 Accelerated and Advance Payments (CAAPs) from CMS due to the COVID-19 Public Health Emergency (PHE).

Provider Action Needed

This Article informs all Medicare providers and suppliers who requested and received CAAPs that we began recovering those payments as early as March 30, 2021, depending upon the 1 year anniversary of when you received your first payment. It also gives information on how to identify recovered payments. Please be sure your billing staff is aware that the recovery has begun, or will begin soon but no sooner than 1 year from the date we issued the CAAP to you.

Background

Section 3719 of the Coronavirus Aid, Relief, and Economic Security (CARES) Act expanded the existing Accelerated Payments Program to give additional flexibilities during the PHE. This included extending repayment timeframes for inpatient hospitals, children's hospitals, certain cancer hospitals, and critical access hospitals.

Title V (Section 2501) of the Continuing Appropriations Act, 2021 and Other Extensions Act, enacted on October 1, 2020, amended the CAAP repayment terms for all providers and suppliers who requested and received CAAPs during the COVID-19 PHE and established a lower interest rate of 4% for any demanded overpayments to recover CAAP balances due. The CAAP repayment terms provide as follows:

- Repayment begins 1 year starting from the date we issued your first CAAP.

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- Beginning 1 year from the date we issued the CAAP and continuing for 11 months, we'll recover the CAAP from Medicare payments due to providers and suppliers at a rate of 25%.
- After the end of this 11 month period, we'll continue to recover remaining CAAP from Medicare payments due to providers and suppliers at a rate of 50% for 6 months.
- After the end of the 6 month period, your Medicare Administrative Contractor (MAC) will issue you a demand letter for full repayment of any remaining balance of the CAAP. If we don't receive payment within 30 days, interest will accrue at the rate of 4% from the date your MAC issues you the demand letter. After that, we'll assess interest for each full 30-day period that you fail to repay the balance.

If you received an accelerated or advance payment, CMS will begin to recoup any outstanding balance from any payments due to you from your Medicare claims. This began as soon as March 30, 2021, depending upon the 1 year anniversary of when you received your first payment.

We will show the recoupment on the remittance advices issued for Medicare Part A and B claims we process after the 1 year anniversary of issuing the first payment. The recoupment will appear as an adjustment in the Provider-Level Balance (PLB) section of the remittance advice.

Institutional providers who get Periodic Interim Payments should note that we won't include CAAPs in the reconciliation and settlement of final cost reports. Instead, we'll recoup from your periodic interim payments.

More Information

You may also want to look at the Fact Sheet: Repayment Terms for Accelerated and Advance Payments Issued to Providers and Suppliers During COVID-19 Emergency.

See Accelerated and Advance Payment Repayment & Recovery Frequently Asked Questions for more information, especially if the repayment timeframe presents a hardship for you. We expect to alert providers and suppliers as any additional information becomes available.

For more information, contact your MAC.

Document History

Date of Change	Description
April 1, 2021	Initial article released.

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