



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.

- 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.

Disclaimer: Paid for by the Department of Health & Human Services. This article was prepared as a service to the public and is not

intended to grant rights or impose obligations. This article may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations and other interpretive materials for a full and accurate statement of their contents. CPT only copyright 2020 American Medical Association. All rights reserved.

Copyright © 2013-2021, the American Hospital Association, Chicago, Illinois. Reproduced by CMS with permission. No portion of the AHA copyrighted materials contained within this publication may be copied without the express written consent of the AHA. AHA copyrighted materials including the UB-04 codes and descriptions may not be removed, copied, or utilized within any software, product, service, solution or derivative work without the written consent of the AHA. If an entity wishes to utilize any AHA materials, please contact the AHA at 312-893-6816. Making copies or utilizing the content of the UB-04 Manual, including the codes and/or descriptions, for internal purposes, resale and/or to be used in any product or publication; creating any modified or derivative work of the UB-04 Manual and/or codes and descriptions; and/or making any commercial use of UB-04 Manual or any portion thereof, including the codes and/or descriptions, is only authorized with an express license from the American Hospital Association. To license the electronic data file of UB-04 Data Specifications, contact Tim Carlson at (312) 893-6816. You may also contact us at ub04@healthforum.com

The American Hospital Association (the "AHA") has not reviewed, and is not responsible for, the completeness or accuracy of any information contained in this material, nor was the AHA or any of its affiliates, involved in the preparation of this material, or the analysis of information provided in the material. The views and/or positions presented in the material do not necessarily represent the views of the AHA. CMS and its products and services are not endorsed by the AHA or any of its affiliates.