

October 9, 2020

**ILLINOIS HEALTH AND HOSPITAL ASSOCIATION
M E M O R A N D U M**

SUBJECT: Improved Repayment Terms for Accelerated Payments

Late yesterday, the Centers for Medicare & Medicaid Services (CMS) [announced](#) amended terms for the Medicare Accelerated and Advance Payment (AAP) program, pursuant to the Continuing Appropriations Act, 2021 and Other Extensions Act ([P.L. 116-159](#)) passed on Oct. 1. CMS also announced that as of Oct. 8, they were no longer accepting AAP applications related to the COVID-19 public health emergency (PHE).

Amended AAP repayment terms are as follows:

- Repayment begins one year from the date the accelerated or advance payment was issued;
- Beginning at one year from the date the issuance, and continuing for 11 months, repayment will occur through an automatic recoupment of 25% of Medicare payments otherwise owed to the provider or supplier;
- After 11 months, recoupment will increase to 50% of Medicare payments otherwise owed to the provider or supplier for another 6 months;
- After the repayment timeframe ends, Medicare Administrative Contractors (MAC) will issue letters for payment of any remaining balance of the accelerated or advance payment(s).

This timeline also applies to hospitals that receive periodic interim payments (PIP), with the AAP recoupment process from bi-weekly PIP payments beginning one year from the date of AAP payment issuance. **CMS notes that accelerated payments will not be included in the reconciliation and settlement of final cost reports, regardless of PIP status.**

Providers may make one or more lump sum payments before repayment begins. Additionally, should a provider have outstanding debts with CMS, payments made to CMS will be applied to any outstanding interest on the oldest debt first, followed by the principal on the oldest debt. Any existing Medicare debt outside of the AAP will not be subject to these special repayment terms.

After the repayment period ends, providers with an outstanding AAP balance will receive a letter from their MAC requesting the remaining balance of the accelerated or advance payment(s). In such cases, the provider will have 30 days from the date of the letter to repay the balance in full. If payment is not received within 30 days, interest will accrue at the rate of 4% from the date the letter was issued. Interest will continue to accrue for each full 30-day period that the balance remains unpaid.

A statutorily authorized Extended Repayment Schedule (ERS) allowing debt installment payments is available to providers or suppliers experiencing financial hardship (see [42 CFR 401.607\(c\)\(2\)](#)). ERS allows for payment of debts over three to five years if certain criteria are met. Providers in need of an ERS should contact their MAC for more information. CMS established AAP hotlines at all MACs. The hotlines for the two MACs serving Illinois hospitals are:

National Government Services (NGS)

1-888-802-3898

Hours of Operation: 8am-4pm CDT

Wisconsin Physician Services (WPS)

1-844-209-2567

Hours of Operation: 7am-4pm CDT

Your MAC can also advise on the balance of your AAP loan and other potential debts associated with your provider number.

For more information, see CMS' [fact sheet](#) and [FAQs](#).