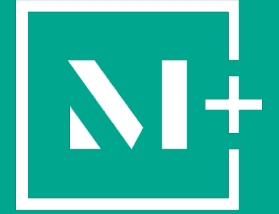


ACCELERATED AND ADVANCE PAYMENT PROGRAM



**Updates to the Recoupment and Repayment
Timeline**

October 12, 2020
mcdermottplus.com

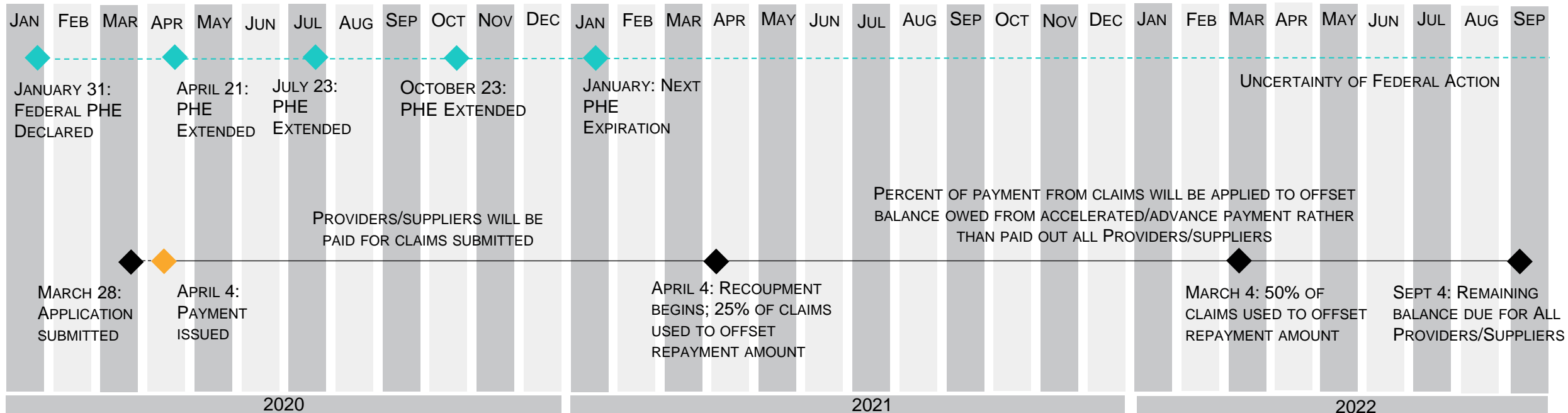
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Consulting

CHANGES TO AAP REPAYMENT TIMELINE

- [H.R. 8337](#), “Continuing Appropriations Act, 2021 and Other Extensions Act,” extended the repayment timeline and reduced interest rates applicable to outstanding AAP payments
- The bill revised repayment terms
 - Created one timeline for all hospitals, providers, and suppliers; recoupment begins 12 months after initial payment
 - Claims will be reduced by 25% during the first 11 months and up to 50% during the subsequent 6 months to recoup outstanding balances
 - Balances remaining after 29 months after receipt of initial payment will be subject to a 4% interest rate until fully paid

CMS ACCELERATED AND ADVANCE PAYMENTS TIMELINE

AS UPDATED BY THE CONTINUING APPROPRIATIONS ACT ENACTED 10/01/2020



SAMPLE TIMELINE FOR ADVANCED OR ACCELERATED PAYMENT AND RECOUPMENT

UP TO 7 DAYS PRIOR TO PAYMENT. Provider or supplier submits application for accelerated/advance payments.

MONTH 0: PAYMENT ISSUED. Within 7 days, the MAC *should* issue payment to the provider or supplier. The provider *should* continue to be paid for claims as usual.

- Suppliers receive 100% of claims submitted Oct-Dec 2019.
- Hospitals receive 100% of claims submitted July-Dec 2019.
- CAHs receive 125% of claims submitted July-Dec 2019.

AFTER 12 MONTHS (STARTING MONTH 13): RECOUPMENT BEGINS. Recoupment begins 12 months after **initial payment** for all providers and suppliers. **25% of submitted claims** will be withheld and used to offset AAP payment amounts.

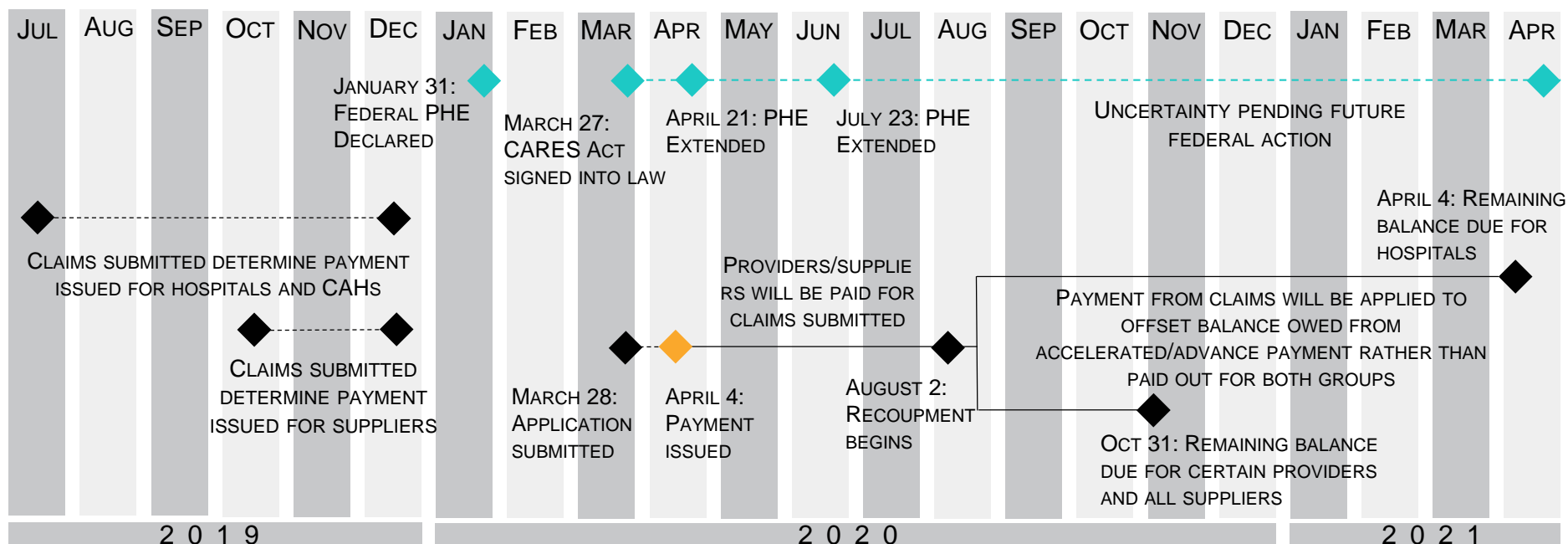
AFTER 23 MONTHS (STARTING MONTH 24): INCREASE IN CLAIMS OFFSET. 23 months after **initial payment** for all providers and suppliers, **50% of submitted claims** will be withheld and used to offset AAP payment amounts.

AFTER 29 MONTHS (STARTING MONTH 30): REMAINING BALANCE DUE FOR ALL PROVIDERS AND SUPPLIERS & INTEREST ATTACHES (4%) TO ANY OUTSTANDING BALANCE AFTER THIS DATE.* Remaining balance of accelerated/advance payment is due 29 months after **initial payment** for all providers and suppliers.

*CMS will issue a letter notifying providers/suppliers if reimbursement is required for outstanding payments. If payment is not received within 30 days from the date of the letter, interest will accrue at the rate of 4% and will be assessed for each full 30-day period that the balance remains unpaid.

CMS ACCELERATED AND ADVANCE PAYMENTS TIMELINE

AS ORIGINALLY IMPLEMENTED PURSUANT TO CARES ACT AND ADMINISTRATIVE ACTION BY CMS



SAMPLE TIMELINE FOR ADVANCED OR ACCELERATED PAYMENT AND RECOUPMENT

UP TO 7 DAYS PRIOR TO PAYMENT. Provider or supplier submits application for accelerated/advance payments.

DAY 0: PAYMENT ISSUED. Within 7 days, the MAC *should* issue payment to the provider or supplier. The provider *should* continue to be paid for claims as usual.

- Suppliers receive 100% of claims submitted Oct-Dec 2019.
- Hospitals receive 100% of claims submitted July-Dec 2019.
- CAHs receive 125% of claims submitted July-Dec 2019.

DAY 120: RECOUPMENT BEGINS. Recoupment begins 120 days after **initial payment** for all providers and suppliers.

DAY 210: REMAINING BALANCE DUE FOR PROVIDERS & INTEREST ATTACHES (~9.5%) TO ANY OUTSTANDING BALANCE AFTER THIS DATE. Remaining balance of accelerated/advance payment is due 210 days after **initial payment** for certain Part A providers and all Part B suppliers.

DAY 365: REMAINING BALANCE DUE FOR HOSPITALS & INTEREST ATTACHES (~9.5%) TO ANY OUTSTANDING BALANCE AFTER THIS DATE. Remaining balance of accelerated/advance payment is due one year after **initial payment** for acute care hospitals, children's hospitals and certain cancer hospitals.