Objective:
The Center for Medicare and Medicaid Services (CMS) has expanded this program to a larger group of Part A and Part B providers. This program is designed to increase a practice’s cash flow that has been impacted by the COVID-19 crisis by leveraging future Medicare payments. This resource is designed as a guide to prepare and apply for an advanced payment. This guidance should not be used as a substitute for professional accounting or legal services.

Important note – Group Practices: Advanced payments must be requested at the NPI level. If you want the advanced amount to reflect your TOTAL Medicare payments to the practice for a three-month period, each pathologist will need to complete a form under their respective NPI number. If the groups claims are paid to a specific TIN, that is where the payment will be made.

Program Period: For duration of the public health emergency only.

Who can apply for the Accelerated and Advance Payment for Medicare Providers program?
Your practice must meet ALL the criteria listed below to qualify for this program:
- Billed Medicare for claims within 180 days immediately prior to the date of application
- Not currently in in bankruptcy
- Not be under active medical review or a program integrity investigation
- Not have any outstanding delinquent Medicare overpayments


What is the maximum amount that I can request? You may request up to 100% of your Medicare payments for a three-month period. The MAC’s have been instructed to use claims data from October, November, and December of 2019 as a baseline for calculating the amount. You may request less than 100% if you wish and retain the ability to request the balance at a later date. For example, if you requested 50% of the maximum amount, you may make another request for the remaining 50% assuming the program remains in effect.

What can the funds be used for? There are no restrictions on the use of these funds.
How are these funds paid back? CMS will withhold payment of claims beginning 120 days after you receive the funds, until the full amount advanced to you is repaid. You may request that repayment amounts be less than 100% of submitted claims. If full payment is not realized within 210 days of the disbursement of funds you will be charged interest on the outstanding balance.

If repayment will cause your practice a financial hardship you may request an extended payment plan. Interest will be charged at the rate of 10.25%.

You may also repay this amount directly, in full or in part, to avoid the recoupment on future claims.

Will I be charged interest on the advance? If the funds advanced to you are not fully repaid within 210 days of disbursement you will be charged 10.25% of the remaining outstanding balance. If repayment of the full amount advanced is made before the 210-day limit, there is no applicable interest on the money.

Do I have any appeal rights regarding qualifications or amounts disbursed? No. The MACs will determine each pathologist's eligibility and the amount of funding they qualify to receive. If future claims that are subjected to repayment are denied, you retain the right to appeal those claims.

Practice Management Considerations
Practices are encouraged to carefully evaluate the full impact of leveraging future payments and its impact on the practice’s short-term income. Some considerations may include:

- **Is this the best option?** A critical review of the payback terms and its potential impact on future revenue should be carefully considered. Practice leaders may want to explore other options which may be 100% forgiven such as the Paycheck Protection Program. The Small Business Administration also has low interest, long term loans available. For more information visit [https://www.sba.gov/disaster-assistance/coronavirus-covid-19](https://www.sba.gov/disaster-assistance/coronavirus-covid-19)

- **Know your Medicare payer mix**
Remember, repayment is made by withholding future Medicare payments. If 20% - 30% of your revenue is generated by Medicare will that cause a future problem in meeting your practice’s financial obligations? Can you live on 20% to 30% less income? Your practice will not be receiving Medicare payments during the repayment period unless you file a hardship claim.

- **Volume fluctuations and cash flow**
Repayment begins 120 days after the disbursement of the funds. Practices should evaluate the source of their referrals and make reasonable projections of their volumes of “non-COVID-19 testing”, especially during the repayment period.

- **Cost management**
Practices should also evaluate their cost structure for the next 2-3 quarters. Repayment of the advance may cause a shortfall of cash for this period. Management of costs will be critical. Evaluation of scheduling, inventory and supply ordering should be closely monitored to ensure
that no excessive costs are being experienced. Non COVID-19 testing supplies should align with the projected volumes for the next 2-3 quarters. Avoid “just in time” orders that may bear additional shipping expenses. Ensure staffing is adequate to conduct both COVID-19 and non-COVID-19 testing.

- **Billing: Outsourced to an agency**
  - It is likely that your advanced payment will be subjected to your billing agency’s contractual fees. (i.e. a percentage of collections) As an example, if you receive $100,000 for future Medicare payments and your contract rate is 8% of collections you may be required to pay the agency $8,000, leaving you with $92,000. This is likely a justifiable charge as they will be required to post all future claims activity to each patient’s account even though your advance was withheld.
    - To retain as much cash as possible, negotiate with the billing agency to only apply their fee to the future payment postings and not the bulk advanced payment.
  - Denials: Ensuring that denials are always aggressively worked should be the standard, but these will become even more critical now. A denied claim will not reduce the outstanding balance of your advanced funding. Ensure that the agency is working the denials and providing you with a weekly report of these activities. Unresolved denied claims will prolong your repayment period and perhaps subject your practice to interest payments and reduced cash flow.
  - COVID-19 Testing: Ensure that your COVID-19 tests are being appropriately billed (i.e. high throughput tests v POC and other platforms)

- **Billing: In-House**
  - Ensure that all staff are informed of the repayment methods related to Medicare claims and appropriate financial classification codes are established so that you can track the repayments being made. Obtain a weekly report.
  - Denials: As indicated above, ensure that these group of claims are closely evaluated and the TAT on the appeal of the claim is as short as possible.
  - COVID-19 Testing: Same as above
**Accelerated and Advance Payment for Medicare Providers Roadmap**

*Some information may vary according to your MAC’s specific requirements*

<table>
<thead>
<tr>
<th>Recommended Activities</th>
<th>Sources</th>
</tr>
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<tbody>
<tr>
<td>Review Q4 2019 Medicare claims submissions to estimate the advanced payment. Determine your Medicare payer mix.</td>
<td>Billing provider</td>
</tr>
<tr>
<td>Complete CAP’s <em>Estimated Volume-Revenue Impact Worksheet</em> to evaluate future payback impact (if any)</td>
<td></td>
</tr>
</tbody>
</table>
| Determine the advance amount you are requesting  
  • 100% of available advance, or  
  • Dollar amount that you are requesting | |
| Determine whether all members of the practice will be applying  
  • If Yes, obtain each members NPI number | Billing provider |
| Locate your MAC’s website application | Link provided above |
| Complete the application and email it to the MAC | Link provided above |
| Notify your billing provider of the pending advance payment | Billing provider |
| Ensure appropriate codes are established in the billing system to track the repayment of claims. Obtain weekly reports. | Accounting and billing providers |
| Establish SOP’s addressing denials related to the claims subjected to repayment. Obtain weekly reports of denials and resolutions | Billing provider |

**Additional Resources:**

**MAC Information by locality**

**SBA Paycheck Protection Program**

**SBA Programs**

**COVID – 19 Information**

**COVID -19 Recent Updates**
https://www.cap.org/covid-19