

The Centers for Medicare & Medicaid Services' (CMS') accelerated payment program provides necessary funds when there are disruptions in claims submission and/or processing. The Coronavirus Aid, Relief, and Economic Security (CARES) Act expanded the program to include not only acute care hospitals, but also critical access hospitals (CAHs), children's hospitals and cancer hospitals during a public health emergency. CMS further expanded eligibility for accelerated/advance payments during the COVID-19 public health emergency to all Medicare providers and suppliers.

Accelerated Payment Terms

Accelerated payments function as a loan and must be repaid to CMS in full. The Continuing Appropriations Act, 2021 and Other Extensions Act, enacted on Oct. 1, 2020, established new repayment terms for accelerated/advance payments. Among other provisions, the new terms include:

- One year (from date payment was issued) before repayment begins;
- 25% withhold of Medicare claims during the first 11 months of repayment, followed by a 50% withhold during the subsequent six months; and
- 4% interest applied to any remaining balance at the end of the repayment period.

Impact to Hospitals and Health Systems

CMS has provided at least \$85 billion in accelerated payments to hospitals during the past several months. These payments have served as critical life lines to hospitals and health systems, providing crucial funding to support the front-line personnel treating patients; the construction of new sites of care to minimize the virus' spread; and the purchase of ventilators, drugs and supplies to care for the critically ill.

However, the requirement to repay these funds will place hospitals and health systems back in financial jeopardy while they work to recover from this unprecedented pandemic. Recent AHA [reports](#) found that the immense financial strain facing hospitals and health systems due to COVID-19 will continue through at least the end of 2020, with patient volume expected to remain well below baseline levels. Total losses for the nation's hospitals and health systems are projected to be at least \$323.1 billion in 2020.

The AHA urges Congress to grant full forgiveness of accelerated payments for all hospitals – including acute care hospitals, CAHs, children's hospitals, cancer hospitals, long-term care hospitals, inpatient rehabilitation hospitals, inpatient psychiatric hospitals and extended neoplastic disease care hospitals.

- Hospitals are the nation's primary source of COVID-19 testing and treatment, and this crisis will not end any time soon.
- Providers will continue to face historic challenges throughout this extended public health emergency and beyond.
- Accelerated payment forgiveness is necessary for providers to recover and rebuild while maintaining the delivery of care that patients and communities are depending on.