Forgiveness of Accelerated Payments for Hospitals

The Centers for Medicare & Medicaid Services’ (CMS) Accelerated Payment program provides necessary funds when there is a disruption in claims submission and/or claims processing. The Coronavirus Aid, Relief, and Economic Security (CARES) Act expanded the accelerated payment program so that it included not only acute care hospitals, but also critical access hospitals (CAHs), children’s hospitals and cancer hospitals during a public health emergency. The CARES Act also issued more flexible payment and repayment terms for these providers. CMS further expanded eligibility for accelerated and advance payments during the COVID-19 public health emergency to all Medicare providers and suppliers.

Accelerated payments function as a loan and must be repaid to CMS in full. While the length of the repayment period varies based on provider type, recoupment begins for all providers a few months after payments are received. The remaining balances of repayment are subject to interest.

CMS reports that the agency has provided $59.6 billion in accelerated payments to Medicare Part A providers, including hospitals, during the past several weeks. These payments have served as a critical life line to hospitals and health systems, providing crucial funding to support the front-line heroes treating patients, build new sites of care to minimize the spread of the virus, and purchase the 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.

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 and inpatient psychiatric 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.
- Forgiving hospitals’ accelerated payments is necessary for providers to recover and rebuild while delivering the care that patients and communities are depending on.