

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. On April 26, the agency announced it will reevaluate the amounts to be paid under its Accelerated Payment Program and suspend its Advance Payment Program to Medicare Part B 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 120 days after payment is issued. Currently, any remaining balance after the repayment period is subject to an extremely high interest rate.

CMS reports that the agency has provided \$59.6 billion in accelerated payments to Medicare Part A providers, including hospitals, during the early weeks of the pandemic. 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. 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.
- Forgiving hospitals' accelerated payments is necessary for providers to recover and rebuild while delivering the care that patients and communities are depending on.
- Hospitals will receive no new Medicare reimbursements during their repayment periods – starting as soon as August 2020 – until they have fully repaid their accelerated payments. Urgent action is needed to prevent that disruption while hospitals continue facing unprecedented financial challenges.