

## AMERICA'S HOSPITALS AND HEALTH SYSTEMS

July 29, 2020

The Honorable Seema Verma  
Administrator  
Centers for Medicare & Medicaid Services  
200 Independence Avenue SW, Room 445  
Washington, DC 20201

Dear Administrator Verma:

On behalf of our nation's hospitals and other health care providers, we are writing to ask you to delay the start of repayments associated with the Medicare Accelerated and Advance Payment (AAP) Programs, which are scheduled to begin soon for some providers that participated in the programs. We appreciate the federal government's support of hospitals and health care providers as the nation comes together to collectively respond to and defeat COVID-19, and ask that this support extend to flexibility with regard to implementation of the AAP's repayment provisions.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act expanded the Accelerated Payment Program to include during a public health emergency not only acute care hospitals, but also critical access hospitals and cancer hospitals. The CARES Act also issued more flexible payment and repayment terms for these providers. The Centers for Medicare & Medicaid Services (CMS) provided \$59.6 billion in accelerated payments to Medicare Part A providers, including hospitals, during the early weeks of the pandemic. These payments provided critical funding to our hospitals and health systems and were used to support front-line health care workers, build new sites of care to minimize the spread of the virus, and purchase the ventilators, drugs and supplies necessary to care for critically ill patients.

Currently, 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 the payment is issued. Given that some of our hospitals and health systems received their payments in early April, they soon will be required to start repaying these funds. Hospitals will receive no new Medicare reimbursements during their repayment periods until they have fully repaid their accelerated payments.

The requirement to begin repaying these funds in the next few weeks will place hospitals and health systems in financial jeopardy while they work to recover from this unprecedented pandemic. Providers will continue to face historic challenges throughout this extended public health emergency and beyond, as we expect the immense financial strain facing hospitals and health systems due to COVID-19 will continue through at least the end of 2020.

While there will be efforts to make improvements to AAP as part of the next COVID-19 relief package, Congress may not have this legislation completed until after Aug. 1, and we therefore ask that CMS delay the start of the repayments until legislators have the opportunity to make changes to the programs.

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We urge you to promptly exercise the authority available to CMS to adjust the repayment schedule to allow our facilities to respond to COVID-19, plan for the future and continue to provide the vital care expected by our patients and our communities.

Sincerely,

America's Essential Hospitals  
American Hospital Association  
Association of American Medical Colleges  
Catholic Health Association of the United States  
Federation of American Hospitals  
National Association for Behavioral Healthcare