

CORONAVIRUS RESOURCE CENTER

The Federal Government Throws a Lifeline to Medicare Providers and Suppliers

March 30, 2020

Many healthcare providers and suppliers have suffered significant financial hardships due to the current COVID-19 public health emergency, which has resulted in the widespread cancellation of non-emergency visits and procedures. As we described [here](#), the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act” or the “Act”) includes provisions designed to mitigate that harm.

Just one day after the enactment of the CARES Act, the Centers for Medicare and Medicaid Services (“CMS”) announced that it was implementing authority provided under the Act to make significant accelerated/advance payments to Medicare Part A providers (e.g., hospitals) and Part B suppliers (e.g., physician groups who provide outpatient care).¹ This program is not limited to entities that treat COVID-19 patients. These advance payments may be vital to organizations suffering from liquidity shortages, particularly if they are not eligible for the \$100 billion fund dedicated to hospitals and other providers that are treating, or planning to treat, COVID-19 patients. CMS has promised that these payments will be made quickly, so eligible providers and suppliers may wish to seek them as soon as practicable.

Among the key terms of CMS’ advance payment announcement are the following:

- To qualify, a provider or supplier must have billed Medicare for claims within 180 days of a submission for advance/accelerated payments, must not be in bankruptcy, must not be under investigation by Medicare, and must not have any outstanding delinquent Medicare overpayments.

¹ www.cms.gov/files/document/Accelerated-and-Advanced-Payments-Fact-Sheet.pdf.

- Qualified entities will be able to request a specific amount of advance payment—in an amount that is based on historic Medicare reimbursement levels—on a form found on the applicable Medicare Administrative Contractor’s (“MAC’s”) website. The size of the advance/accelerated payment will depend on the type of entity making the request: (i) providers and suppliers may request 100% of the Medicare payment amount for a three-month period; (ii) inpatient acute care hospitals, children’s hospitals and certain cancer hospitals may request 100% of the Medicare payment for a six-month period; and (iii) “critical access hospitals” (i.e., certain types of rural hospitals) may seek 125% of the Medicare payment.
- Each MAC should issue payments within seven days of receiving a valid request.
- Repayment of these advance payments will typically be required beginning 120 days after the issuance of payments according to terms specified in its announcement.
- The program will apply only for the duration of the COVID-19 emergency (as determined by the Department of Health and Human Services).



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