

Medicare Accelerated and Advance Payment Program: What Psychiatry Practices Need to Know During COVID-19

UPDATE: On April 26, the Centers for Medicare and Medicaid Services (CMS) [announced](#) that it is reevaluating the amounts that will be paid under its Accelerated Payment Program and suspending its Advance Payment Program to Part B suppliers effective immediately. Beginning April 26, CMS will not be accepting any new applications for the Advance Payment Program, and CMS will be reevaluating all pending and new applications for Accelerated Payments in light of historical direct payments made available through HHS's Provider Relief Fund. Significant additional funding will continue to be available to hospitals and other healthcare providers through other programs. [View an updated fact sheet here.](#)

➤ **What is Available?**

Under the AAPP, psychiatry practices may essentially borrow against their expected future Medicare payments in order to maintain necessary financial resources during the COVID-19 crisis. Psychiatry practices will be able to request advance payments ***up to 100% of their Medicare payments for a three-month period*** (between October and December 2019). Through the Medicare Administrative Contractors (MACs), CMS will work to provide the requested payments within 7 calendar days of the application. Advance payments will be available throughout the public health emergency.

➤ **Who is Eligible?**

With the expansion of the AAPP, providers participating in Medicare Part A and suppliers in Medicare Part B will be able to apply for and receive accelerated and advance payments. Specific eligibility criteria are outlined in the CMS fact sheet linked above, but current Medicare providers and suppliers in good standing (i.e., no delinquent payments owed to Medicare, not in bankruptcy, not currently under investigation) are eligible.

➤ **How Do I Apply?**

CMS has published a step-by-step guide for applications in their AAPP fact sheet linked above. O&P practices should fill out a Request Form, which is provided by their individual region's MAC. Forms are published on each MAC website and providers and suppliers can also contact their MAC's COVID-19 hotline for assistance. To identify your region's designated MAC, click [here](#). The Request Form must be executed by an authorized representative, and suppliers/providers should state on the Request Form that they are experiencing cash flow problems due to COVID-19. Electronic submission is strongly encouraged, but mail or fax is accepted.

➤ **What Happens After I Apply?**

Assuming your psychiatry practice meets eligibility criteria, the MACs should issue requested payments within 7 calendar days of the request. For 120 days after the payment is issued, your practice can continue its usual claims submission process and receive full Medicare payments. After that period, newly submitted claims will not be paid out, but will be automatically offset against the practice's outstanding balance on the AAPP payment. After 210 days from the date the payment was issued, a MAC will send a repayment request for any remaining balance. After that the interest rate is relatively high; about 10% on an annual basis. Therefore, advanced payments equate to a 210-day no-interest loan.

Consult your accountants/financial advisors to determine the best course of action.