

Protecting Cash Flow During the COVID-19 Pandemic Medicare Advance Payments

Section 3719 of the CARES Act, signed into law on March 27, authorizes CMS to make advance payments to Medicare providers to ensure adequate cash flow during the COVID-19 pandemic, given the loss of revenue from elective procedures and patient visits. The following day, CMS published [program instructions](#) regarding the issuance of these payments.

Eligibility. Any Medicare provider is eligible for an advance payment if the provider:

1. Has billed Medicare for claims within the last 180 days
2. Is not in bankruptcy
3. Is not under active medical review or program integrity investigation
4. Does not have any outstanding delinquent Medicare overpayments

Amount of Payment.

- An inpatient acute care hospital, a children's hospital, or a cancer hospital may request up to **100% of its Medicare payments for a 6-month period.**
- A critical access hospital may request up to **125% of its Medicare payments for a 6-month period.**
- Any other Part A or Part B provider may up to **100% of its Medicare payments for 3-month period.**

Application Process. A provider may apply for an advance payment by completing and submitting this [form](#) on the Medicare Administrative Contractor's website. Any questions regarding the form should be directed to the MAC's COVID-19 hotline at (844) 209-2567.

Approval Process. According to CMS' program instructions, the MAC will review each application for completeness and verify the applicant is eligible for an advance payment. The MAC will then notify the applicant by e-mail if the request has been approved or denied.

For approved requests, the MAC will issue the payment **within 7 calendar days** of the request's submission.

Recoupment and Reconciliation. For the first 120 day following the provider's receipt of the advance payment, the MAC will continue to make full payment on all claims submitted by the provider. Thereafter, the MAC will recoup the amount of the advance payment by withholding any payment on all claims submitted by the provider.

For a hospital, the MAC will perform a reconciliation one year following the hospital's receipt of its advance payment. If any amount remains owing, the MAC will make a demand for direct payment. For all other providers, the MAC will perform the reconciliation at 210 days.

The program instructions do not address what would happen if the provider were unable to meet a MAC's demand for direct payment. In the case of overpayment refunds, the MAC will consider requests for extended repayment schedules, subject to interest. In deciding whether to request an advance payment, a provider should assume this would be the case for any amount remaining following recoupment.