

Centers for Medicare & Medicaid Services  
COVID-19: Accelerated and Advance Payment Program Changes  
Moderator: Alina Czekai  
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Operator: This is Conference #: 1151479.

Alina Czekai: Good afternoon. Thank you for joining our CMS COVID-19 call today to discuss accelerated and advance payment program changes here at CMS. I'd like to introduce Megan Worstell. Megan is the chief financial officer and director of the Office of Financial Management here at CMS.

Megan, turning it over to you?

Megan Worstell: Thank you, (Alina). Thank you all for joining us today. I know this is a really difficult time for everybody. And so, I'm glad that we can share the information that we have with you.

Last Saturday, we expanded our accelerated and advance payment programs. And these programs are not new programs, but they are programs that have been used in very specific situations. So, we've approved a little over a hundred of this in the past five years at all. And in this case, we really expanded it to try to make it so that it would be more helpful for COVID-19.

As you know, the CARES Act also was enacted and included very specific language for hospitals specifically and actually specific hospitals. The advance and accelerated payments really are to help with cash flow and a lot of times the provider might use it because they're not able to submit their claims timely or something like this. In this case, we do realize that it's an ongoing issue and one that is probably going to take some time for cash to begin to flow more readily.

Our Medicare administrative contractors are processing these requests. We have spoken a lot to them over the past week. And we do – we're trying to get them all processed within seven days and get the cash out to the providers that need them. We have been receiving a lot of questions over the last week.

And I'm sure that you all have some for us and we'll be happy to answer those. And I really look forward to working with you throughout the process and try to make this the best it can for as many people as it possibly can help, knowing that this program may not work for everybody.

And with that, I'm going to turn it over to Sherri and Sherri is our director of the financial services group. Sherri actually is in charge of the group that oversees this. And she is going to walk you through a little bit more of the details about this. So, Sherri?

Sherri McQueen: Thanks, Megan. Good afternoon, everyone. So, just giving a little information on the qualifications for an advance or an accelerated payment. The provider or supplier must meet certain eligibility criteria, a couple of which are they have to be a Medicare provider or supplier that has been billing for the last 180 days.

The particular provider or supplier should not be in active bankruptcy status or planning to file bankruptcy. Also, we want to ensure that the provider is not under any type of fraud investigation or has been identified as fraudulently billing the Medicare program. So, those are the general criteria that the provider must meet.

As I said, all Medicare Part A and Part B providers are entitled to the advance and accelerated programs, specifically when you – when we say accelerated, it refers to Part A providers based on the statutory and regulatory authority that CMS has. And Part B providers, we refer to the advance payment program. So, that's the distinction between the two.

All Part A and Part B providers are entitled to 100 percent of three months worth of their Medicare claim. We've, as Megan said, altered the program to allow providers more time to be able to repay the advanced or accelerated payments. So, providers are given 120 days after the advance and accelerated payment to begin actually repaying the particular payment that they received.

So, day 121, recoupment is expected to begin on all claims that the provider is submitting for a period of 90 days at 100 percent. Normally, this process begins 90 days after or – excuse me – immediately after the payment is made

for 90 days. But in this instance, we will not begin recouping the funds until day 121 and then the provider has a full 90 days to repay the advance or accelerated payment.

As Megan said, the recent CARES Act provided certain options to certain hospitals, specifically children's hospitals and patient acute care hospitals and critical access hospitals. But specifically, what's specified in that act is that those particular providers are able to get payments for a period of six months.

And for critical access hospitals, they qualify for 125 percent of their Medicare claims. So, that is the exception that came out of the CARES Act. So, aside from those hospitals, all the other Part A hospital providers and Part B suppliers or providers receive or entitled to 100 percent of the three-month period of the Medicare claim.

If you're interested as a provider or supplier in the advance or accelerated payment program, as Megan indicated, you can contact your assigned Medicare administrative contractor to request to take part in the program. It's a streamline process that we put in place.

So, providers will be required to identify that they have the need to participate in the program based on impact that they are feeling related to the COVID-19 public health crisis. You have to provide your provider identifying information, such as your P10 or NPIs.

The provider will also be asked to identify how much they would like in an advance or accelerated payment. CMS will make that determination of the maximum amount that the provider is entitled to receive and share that information with the Medicare administrative contractor.

And so, for those Part B providers and most of the Part A providers that are going to be eligible for the 100 percent of the three-month period, we're going to be doing a look back on claims that were processed between October 1, 2019 and December 31, 2019.

For Part A providers that are covered by the CARES Act, the calculations will be based on the net reimbursement, including any pass through cost between July 1, 2019 through December 31, 2019.

So, in both instances, we're doing the look back during the times where we believe that the coronavirus was not at its peak or had not escalated. So, that's why we're choosing the timeframes that we have identified. And in each instance, we'll be looking at the next claim reimbursement and any pass through cost that providers may receive during those time periods. One is three months and the other is six months.

So, after the provider has received their advance or accelerated payment as I mentioned previously, they will have 120 days to repay that with the exception of there are the CARES Act providers who have at least one year to – up to one year to repay that advanced and accelerated payment. So, they have a little more time to do that.

Once the initial 120 days expires, as I've stated, recoupment will begin at 100 percent of the claims that are being submitted. If that is an issue for some providers, you do have the ability to contact your Medicare administrative contractor if that will post a hardship for you. If you're able to pay – repay within the 90 days, you have the ability to contact your MAC and discuss that percentage with them.

If you're unable to pay within the stated timeframe, if the debt is not recovered, you have the ability to make a direct payment of the balance that remains at the end of the period as well as any time during that process. If you decide that you want to pay ahead, that is acceptable as well.

But in some instances, providers may not be able to pay the balance at the end of that period and what they are able to do at that point is work with their MAC on an extended repayment plan if they will experience a hardship. It's the ability for the provider to pay that debt over time. So, you can request that from your MAC.

The same holds true for providers who are covered under the CARES Act that will receive the one year. Again, once you have reconciled your payments

through the cost report, the Part A provider that's receiving interim payment, if you're unable to satisfy the balance that's remaining as you reconciled through your cost report, then you will have to request another method of repayment if it exceeds the one year that's given by the CARES Act.

There is – one thing that I wanted to point out with respect to providers that are receiving periodic interim payments, you are eligible for the programs. We will be making payments based on your periodic payments. So, you'll receive some payments. You have the same timeframe for repayments as non-PIP providers. If a PIP provider's cost report is filed prior to the conclusion of the corresponding repayment timeline, the MAC will begin to recruit the lump sum payment until the time has expired.

So, in general, that's the program that's in place currently. As Megan indicated, you can contact your Medicare administrative contractor to request the advance/accelerated payments. There are MAC websites that contain information on the program and you can complete a request form on that – pull the form down and complete it and e-mail it or fax it back to the Medicare contractor. They will process the request currently within seven calendar days.

So, with that said, we can open up the floor for questions.

Operator: Ladies and gentlemen, in order to ask a question, please press star one on your telephone keypad. To withdraw your question, press the pound key. Again, to ask a question, please press star one.

We have a question from (Liz Mani). Your line is now open. (Liz Mani), your line is now open.

Your next question comes, is from (Mark Paple). Your line is now open.

(Mark Paple): Thank you so much. Hey. I just wanted to make sure – because we're getting conflicting information from the various MACs regarding the PART A accelerated application under the (Q) provider number that the six-month maximum will be calculated on both inpatient and outpatient payments along with the pass through payments. And then also how would the payment come

to the hospital? Will it just come as part of a remit tied to those specific provider numbers, P10 numbers, for which the applications are submitted? Thank you.

Sherri McQueen: Yes. Good question. So, the calculation will include your inpatient and outpatient as well as the pass through cost. The payment is going to be made based on the P10-NPI combination. So, it will come through your normal payment mechanisms and you will receive a remittance advice and on the remit it will identify that the payment is for the COVID-19 public health crisis.

(Mark Paple): OK. Thank you. And the distinct part in exempt units like a psych rehab and SNF, those are subject to the three-month calculation as opposed to the six-month. Is that correct?

Sherri McQueen: That is correct.

(Mark Paple): OK. Thank you so much.

Sherri McQueen: You're welcome.

Operator: Your next question is from (Steve Hall). Your line is now open.

(Steve Hal): Great. Thank you so much. On behalf of the federation, I want to thank CMS for getting this program up and running so quickly, expanding it, and committing to get the money out the door so quickly because hospital billing need this help. Thank you so much on that.

One of my questions was asked by – just asked and answered from (Mark Paple). I have two technical questions. First of all, with respect to looking at the net claim reimbursement for the prior six months in terms of eligibility for six months, those claims were reduced 2 percent for sequestration. As you know, the CARES Act did lift that sequestration reduction. Do you expect that there would be some adjustment to the request for six months and why no congressional action to eliminate the sequestration through the end of the year?

Sherri McQueen: It's my understanding that the legislation is perspective. It didn't go back in time.

(Steve Hal): Right.

Sherri McQueen: So, the answer to your question is no. We would be using the payments for the point in time where sequestration was in place.

(Steve Hal): Very good. Thank you.

Sherri McQueen: You're welcome.

(Steve Hal): (Let me ask you) another question.

Sherri McQueen: Sure.

(Steve Hal): Current manual provisions call for CMS to issue a demand letter after the period for which repayment was required, expired. Do you still expect that that provision would apply that a demand letter would be issued and then interest would accrue at the 31st day following the issuance of the demand letter?

Sherri McQueen: Yes. So, it would be 210 days essentially to repay. Again, if provider choose to pay during that 120-day period but they don't have to, but if you add the 120 and then the 90-day recoupment period, it's 210 days. If there is a balance remaining, then there will be the possibility that a demand letter will be issued 30 days after. And in that demand letter, it would identify the balance that's remaining to be paid, but it would also offer the option for an extended repayment plan. And yes, with extended repayment plan, there is interest applied and that accrues there at the rate of 10.25 percent currently.

(Steve Hal): All right. Thank you for that clarification. I'd like to ask one more really quick question following on your answer to (Mark) with respect to IRF and site units. So, what about free standing IRFs or (FIN) sites, would you consider those to be inpatient acute care hospitals that would have 12 months to complete repayment of the advance payment?

Sherri McQueen: Good question. And not sure I'm familiar with the distinction between the two, but I do have one of our technical experts on the line, Rick Fisher. Rick, can you address this question?

Rick Fisher: Sure, Sherri. I'll give it a crack. Those freestanding, they're not covered under the CARES Act. They're not part of the (Subsection D) categorization of providers.

(Steve Hal): Got you. What about long term acute care hospitals?

Rick Fisher: The same would hold true for those as well. They don't fall under that (Subsection D) acute care definition.

(Steve Hal): OK. Thanks for that clarification. Thanks for your time. And thanks again for getting this program going the way you have. I appreciate it.

Sherri McQueen: You're welcome. Thank you.

Operator: Your next question is from Tim Walters. Your line is now open.

Tim Walters: Thank you very much. I appreciate the information. For critical access hospitals, frequently they have very large swing bed populations. What about the swing bed patients? They are using the same acute care beds as regular inpatients. Will they get six months, I hope, or three months?

Sherri McQueen: I have to turn to Rick again. Rick, can you answer that?

Rick Fisher: I believe that they should get six months. Could you just restate that question just so I'm sure.

Tim Walters: Well, I mean swing bed is – I mean they have their separate provider number starting with U but it's the – but I mean the patients are actually in the same beds as acute care patients. So – and again, particularly for critical access hospital, that's a significant part of their inpatient population. So, I guess my question, will those – for swing bed reimbursement, will that be calculated using six months of reimbursement or three months?



Rick Fisher: I'll have to check into that to be certain. I believe it should be six months, but we can look into that and get back to you with a response.

Tim Walters: OK. That would be very helpful for critical access hospital in particular. And on the PIP question earlier or your comments earlier about PIP, I'm trying to make sure I understand. Will you take our – like our reimbursement off the PS&R, will you then reduce that by the PIP going to get or is this advance payment in addition to PIP?

Sherri McQueen: So, the accelerated payment when it's Part A it's accelerate payment. This would be in addition to,

Tim Walters: OK. So, we do get PIP on top of that. OK. All right.

Sherri McQueen: Yes.

Tim Walter: OK. And then final question, our MACs sent us a form for Part B for physicians. It has wording in there about COVID, but I don't know, is that part of this accelerated payment program or is that actually more like the regular advanced payment program? Just trying to figure out where physicians fit into this process.

Sherri McQueen: So, physicians are part of the program. And if it's Part A – excuse me – it's Part B physicians and suppliers, providers, they're part of the program.

The MAC – when we initiated the program on Saturday or over the weekend, the MAC were using their own homegrown form. We have since come out with instructions to the MAC just recently today to provide some consistency in the (Continental) form but also to make them more specific to this particular program.

So, the form that you probably have is the forms that have been used in the past and it has certain questions on it that are no applicable to this program. So, you can use that form just to save time. All you really need to do there is just to indicate that you're applying for the program based on the public health emergency and fill in your contact information. And if the MAC needs additional information, they'll contact you back.

You could choose to wait until the MAC put the updated forms on their website. It will probably take a day or two. But my advice would be to just move forward with the form that you have.

Male: OK. Yes. They'd already updated the Part A form and taken out some of the old wording on it. But then, the physician form had similar wording but then some new wording and I just wasn't – like I wasn't sure for physicians, for those that are – that we employ and do their billing for if we could try to accumulate the payments for those.

We don't have PSR, of course, on physicians. So, I guess...

Sherri McQueen: Right.

Male: ... at our system. We would just have some number there or will you do that if we just say for physicians can we just say use your numbers or if we want to do that and just list – provide a list for our physicians or do we have to have a separate form for every individual physician that we bill for?

Sherri McQueen: So, if you're part of a group and the group receives their payments of all to the same office or if you have one person that is the official that is responsible that can sign and commit those other individual providers, you can submit one form. We've just given instructions to the MAC today to do this. You can submit one form and attach a list of the NPI. and the provider names that you're requesting an accelerate – excuse me – the advanced payment for.

Male: OK.

Sherri McQueen: So, you don't have to complete this individual form.

Male: OK. All right. Thanks very much. I appreciate that information.

Sherri McQueen: You're welcome.

Operator: Your next question is from (Eric Nixon). Your line is now open.

(Eric Nixon): Hello?

Sherri McQueen: Hi.

(Eric Nixon): Hi. I just wanted to ask a question about the timing of the recoupment and in relation to the 365 days. I saw in a summary of the CARES Act that the recoupment would start on Day 121. And it would extend through day 365. But today, you said something about 210 days. How do those two days numbers relate?

Sherri McQueen: OK. So, if you're a provider that's covered by the CARES Act and it's the – as I said earlier, the children's hospitals, certain cancer hospitals, inpatient acute care hospitals, the critical access hospitals, then you have a year from the date that you request the payment to actually satisfy repaying it.

All other Part A providers not covered by the CARES Act have 210 days. So, they have 120 days where we're not recouping. And then on the 121st day, we begin recouping for the remaining 89 days so that brings us to the 210 days.

(Eric Nixon): OK. I think I understand. Thank you very much.

Sherri McQueen: OK. You're welcome.

Operator: Your next question is from (Dennis Shelby). Your line is now open.

(Dennis Shelby): Hi, this is (Dennis). Thank you so much for holding this meeting today. I think I heard you say yesterday or earlier in the call that for critical access hospitals the repayment could be made over 100 or over 12-month period. Is that correct?

Sherri McQueen: Yes. So, you could – go ahead.

(Dennis Shelby): Go ahead.

Sherri McQueen: No. I was just going to clarify. Again, we won't require you to begin paying until day 121. And then, you'll have up to a year – so, the clock starts when you get the payment. One-twenty-one is when we would begin kind of recouping it if it applies to you. And then, you have up to one year to pay the balance of it. So, that's like an additional 245 days.

(Dennis Shelby): OK. And you said if the hospitals – that paying it back at 100 percent per month would put the hospital in a financial bind or burden that we could discuss that with the MAC, is that correct?

Sherri McQueen: Yes. So, for example, if the hospital is saying that if you begin recouping at 100 percent essentially out, it will – the cash flow issue will continue. What they could ask the MAC to do is to reduce that amount to 50 percent, for example, and they would take 50 percent of your claims payment through the full one year in the case of maybe a critical access hospital until it's fully paid or (inaudible) example if you're – if you're on a cost report, it's a different process.

(Dennis Shelby): Right. My CFO is sitting here next to me and he has a question as well.

Sherri McQueen: OK.

Male: Thank you. I just have a quick question. Making sure that provider-based rural health clinics that are associated with our critical access hospital, would those qualify for the advanced payment request?

Sherri McQueen: So, are they considered a part – is that Part A hospital, right, critical access hospital?

Male: Yes.

Sherri McQueen: Then yes. They would – Rick, correct me if I'm wrong.

Rick Fisher: No, you're correct, Sherri.

Sherri McQueen: Yes. OK.

Male: OK. Thank you so much.

Sherri McQueen: You're welcome.

Operator: Your next question is from (Lo Bridgeson). Your line is now open.

(Lo Bridgeson): Thank you for taking my question. We are critical access hospital and we've already filed these reports. They request for advancement. But I used the first six months of 2019 is what the initial documentation said. Is that a problem? Should I re-file with the correct numbers from 731 to 1231?

Sherri McQueen: You don't have to worry about that. The MAC will – they're going to actually the data that CMS is giving them to make the determination on the maximum payment.

(Lo Bridgeson): OK. Thank you very much for your help.

Sherri McQueen: You're welcome.

Operator: Your next question is from (Sam Naime). Your line is now open.

(Sam Naime): Thank you. My question was just answered.

Operator: Your next question is from (Ti Faircloth).

(Ti Faircloth): Thank you very much. My question was answered there but one follow on. Will the – will it automatically be calculated the 731 to 1231 multiplied by 1.25 for critical access hospitals and that will automatically be what is paid or is there some – it will get – will you automatic – will every critical access hospital get the maximum amount?

Sherri McQueen: Unless they request otherwise.

(Ti Faircloth): Thank you.

Sherri McQueen: So, you can decide that I – right – I don't want the full 125. You can tell the MAC the amount that you would prefer. And if you don't take advantage of the 125 at your initial request, you can ask for a subsequent because you haven't hit the maximum number. Does that make sense?

(Ti Faircloth): Very much so. Thank you very much.

Sherri McQueen: You're welcome.

Operator: Your next question is (Casey Alvaro). Your line is now open.

(Casey Alvaro): Hi. Thank you everyone and thank you for holding this call today, been very helpful. I just have three – just two questions I think and I apologize in advance. I think you've already touched on the first one. But just to confirm, it is a lump sum payment that providers will receive through this application process, correct?

Sherri McQueen: Yes.

(Casey Alvaro): Great. And then, just to follow up on that, will there be an opportunity for providers to apply for another advance payment should this public health emergency span 12 months, 24 months? Is that something that will be an option?

Sherri McQueen: If you have not taken advantage of the maximum amount as I stated a few minutes ago, that is an option for you to request if the public health emergency continues because you wouldn't have used the full amount that was authorized. But if you've used the full amount authorized currently, that is not an option.

(Casey Alvaro): OK. Great. And then just one more quick question, I know that we're – you all are scrambling to put all this information together and I really appreciate the position you're in, do you think at some point you'll be able to update the fact sheet that's been released so that all of these sort of questions and bumps in the road that have come up are on some sort of public document for folks to reference?

Sherri McQueen: Good question. Yes. We are planning to put out a frequently asked questions document that's really going to be based on questions like yours and the ones that we've received today so to provide that clarity. So, we hope to have that out in the next day or two.

(Casey Alvaro): Thank you so much.

Sherri McQueen: You're welcome.

Operator: Your next question is from (Greg Bridget). Your line is now open.

(Greg Bridget): Yes. I'm sorry. I think you've already answered my question.

Sherri McQueen: OK.

(Greg Bridget): Thank you.

Sherri McQueen: You're welcome.

Operator: Your next question is from (Kish Hollingsworth). Your line is now open.

(Kish Hollingsworth): Good afternoon and thank you for, again, as others have echoed on this call. I know some of our hospitals in our J5 region have already received or should be receiving some payment this week.

One question that I've been asked is – how long of a time period can hospitals request this advanced payment? Is there a cut-off date?

Sherri McQueen: There is no cut-off date at this point. It's through the end of this public health emergency that we're under right now.

(Kish Hollingsworth): OK.

Sherri McQueen: That's the demarcation. Yes.

(Kish Hollingsworth): Perfect. Thank you.

Sherri McQueen: You're welcome.

Operator: Your next question is from (Allen Rose). Your line is now open.

(Allen Rose): I'm sorry. My question has been answered as well. Thank you.

Sherri McQueen: You're welcome.

Operator: Your next question is from (Celeste Picks). Your line is now open.

(Celeste Picks): Hi. So maybe you answered this at the very, very beginning, but I was looking at the application form and it was one that had been attached to a CMS site. So, I'm assuming it's the one that's ultimately going to be used.

But it was asking for like our beginning cash balance wherein what did we think we were going to bring in and then what we're going to spend and what was the ending balance. So, my question is, is it possible that you can apply for this and not get the cash advance? Because the first month we're probably going to be OK the first month. It's the second month that I'm worried about.

Sherri McQueen: So, with respect to the form, the form that you have is a form that's been used in the past and we're...

(Celeste Picks): OK.

Sherri McQueen: ... we realized that it's really not what we should be using for this.

(Celeste Picks): OK.

Sherri McQueen: So, we've given instructions to our MAC to change that form.

(Celeste Picks): OK.

Sherri McQueen: But since you have it, you can just – you don't have to fill out those fields. You can just say that you're applying based on this public health emergency and the MAC will tell you what your maximum reimbursement amount is. And if you don't want that at this time, you can give them a reduced amount or you can just wait.

(Celeste Picks): OK. So, you could – so, OK. So, the whole (applying) more than once is it holds. Perfect. OK. Thank you very much. Just what I needed to hear.

Sherri McQueen: You're welcome.

Megan Worstell: Hi. This is Megan. I just want to – I just want to say one thing. A lot of people have been asking about the form and we've actually gotten a lot of questions about the form. I do apologize that we didn't put out one consistent form.



Unfortunately, we were – we got this out very quickly. And so, the easiest way to get it out was really to let each one of the MAC just use the form they had. So, we're doing our best to catch up on the back end. But thank you for sticking with us for that.

Operator: Your next question is from (Kathleen Gipsis). Your line is now open.

(Kathleen Gipsis): I wanted to confirm, is this for both rural hospitals and critical access hospitals or just critical access?

Sherri McQueen: Both.

(Kathleen Gipsis): Thank you.

Sherri McQueen: All Part A providers and Part B providers and the suppliers are eligible.

(Kathleen Gipsis): Thank you.

Sherri McQueen: You're welcome.

Operator: Your next question is from (Tom Kelly). Your line is now open.

(Tom Kelly): Yes. Following up on that question for how long the program extends for, you indicated earlier to a caller that it was through the – as long as there was a national emergency, is that – is there a cut-off date or is that a declaration or how does that work?

Sherri McQueen: At this point, it's really up to the – up to congress and the president in terms of when this will be over. This has been put in place to address the impact that providers are having and suppliers are having related to the COVID-19 pandemic. And so, as long as it's considered a public health emergency, this program will be available.

(Tom Kelly): So, if the public health emergency goes away, does this legislation go with it?

Sherri McQueen: The legislation doesn't go away, no. But the secretary – the legislation is worded that the secretary has the option to invoke this program.

(Tom Kelly): OK.

Sherri McQueen: So, in the case of an emergency.

(Tom Kelly): OK. Follow up question and the reason I'm asking, I would – I suspect some providers may want to time the request to coincide with their cash flows. That's just a statement, not a question.

Sherri McQueen: OK.

(Tom Kelly): That's it.

Sherri McQueen: All right. Thank you.

Operator: Your next question is from (Robert Loans). Your line is now open.

(Robert Loans): Yes. Thank you for this afternoon to have this time to ask these important questions. Mine are really probably fairly simple but, again, I want to make sure I'm fully understanding. We're a rural hospital. We're on PIP. If I heard correctly before, the PIP payment as well as my outpatient reimbursement for up to six months could be my calculated assistance. Is that correct?

Sherri McQueen: Yes. That's correct.

(Robert Loans): OK. And then the only other confusion I have is, I thought I read somewhere where settlement would come upon the filing of my cost report. Are we saying that's the trigger to begin the payback or is it a one-time, supposed to be taken out of my cost report settlement time if I owe the whole balance back once I file a cost report?

Sherri McQueen: So, I'm going to ask Rick to cover that one because that was – I want to make sure I get that covered correctly.

Rick Fisher: Sure. So, it would be – you'd be afforded the full 12 months of – before the process would start. So, if you were – if you had a cost report that was filed – say within the next six months, that wouldn't be actually the one that triggers the recoupment process. It would be, you would get the full time period.

And then, the process to recover that funding will – you will be working with your MAC to come up as opposed to paying it all back through the settlement process. If that is too much up front, then you can work with your MAC to kind of structure the repayment terms that the funding at that point. But in any event, it wouldn't – the recoupment process will not start for the full 12 months.

(Robert Loans): OK. So, if I file cost report in November, you're saying it's not when it's due. It's really 12 months from the point that we get the fund.

Rick Fisher: Twelve months from the – that's the point of that accelerated payment being received – yes, the lump sum payment. Yes.

(Robert Loans): Great. Thank you.

Sherri McQueen: You're welcome.

Rick Fisher: You're welcome.

Operator: Your next question is from (Curtis Hawkinson). Your line is now open.

(Curtis Hawkinson): Good afternoon. Thanks for taking my call. We're a critical access hospital. And looking at the various funding options to help in this pandemic, so the question is kind of a technical question with respect to if we received dollars for under the SBA 7A loan for paycheck protection, I guess the question is if that is forgiven per the rules of that program, how does that affect the cost report? Would those dollars be offset on a cost report?

And so the question is if we do the accelerated payment program, also do the SBA 7A program for payroll, salaries, and if they're offset on the cost report, then I feel that the critical access hospital should be aware that you could have a double whammy when it comes settling their cost report.

Sherri McQueen: That's a good point. We can take that back to our cost report policy folks and see if they want to put something out in instructions or information to be shared with the Part A providers at – on the cost report related to that.

(Curtis Hawkinson): OK.

Sherri McQueen: OK, thank you.

Operator: Your next question is from (Evan Wagner). Your line is now open.

(Evan Wagner): Hi, I'm with the critical access hospitals, so I think you answered this but I just want to make sure. So, the advance would be 125 percent or the maximum of six months from the PS&R, July through December. And then, the first 90 – on day – starting day 21, it sounds like you go on 100 percent withhold and I heard for 90 days but since we have up to a year to pay it back, wouldn't we stay on a 100 percent withhold until the full amount of the advance is recouped is my question.

Sherri McQueen: Correct.

(Evan Wagner): Yes, OK, so – because it might take more than 90 days – well technically it will, if it's more than – if it's six months at 125 percent, it's going to take more than 90 days of a 100 percent withhold to take it back.

Sherri McQueen: Right, so if you're critical access hospital and you're getting 125 percent, you have the full-year to repay.

(Evan Wagner): So, we'll just stay on the 100 percent withhold until such time that it's fully recouped with the clock starting from the day that you – well, the day that you get the payment but you start on day 121 with the withhold and then that will ...

Sherri McQueen: Correct.

(Evan Wagner): ... that will continue – I guess it could continue for 245 days and then if you still owe money, then your MAC will let you know and you'll just need to pay it at that time. And so, we used the – yes, PS&R for July through December.

Sherri McQueen: Yes.

(Evan Wagner): OK. All right, thanks so much, sorry for the duplicate questions.

Sherri McQueen: No, that's OK.

(Evan Wagner): OK.

Sherri McQueen: We want to make sure you're clear.

(Evan Wagner): OK, thank you.

Sherri McQueen: You're welcome.

Operator: Your next question is from (Steve Miller). Your line is now open.

(Steve Miller): Hello. Thank you again for presenting this information tonight and I simply wanted to ask again, I know it was mentioned at the very beginning, but who is leading this call, who presented this information this evening?

Sherri McQueen: Sure. This is Sherri McQueen. I'm the Director of the Financial Services Group in the Office of Financial Management. You also have my boss, Megan Worstell. She is the Chief Financial Officer for the agency and the Director of the Office of Financial Management. And then, you have Rick Fisher who is the Deputy Director for our Division of Provider Audit Operations.

(Steve Miller): Thank you.

Sherri McQueen: You're welcome.

Operator: Your next question is from (Shaheed Damon). Your line is now open.

(Shaheed Damon): Yes, hi, thank you so much for all this information. This is very helpful. I just wanted to clarify, again, sorry, I'm just still a little confuse about the repayment timeline for periodic interim payment providers. So, the FAQ or the fact sheet seemed to suggest that it would take place with the regular reconciliation process that – it's associated with the cost report settlement.

So if I understand, I think you were saying earlier that it would be – take place with whichever cost report settlement period is – falls outside of the first 12 months. So in other words, it wouldn't take place sooner than 12 months, is that correct?

Sherri McQueen: That is correct.

Rick Fisher: Yes, that's correct. Sorry, Sherri.

Sherri McQueen: No, that's OK. I got at least the (manual).

(Shaheed Damon): So then in the case of a PIP provider, it would take place in their next cost report settlement period which should be over a year from the date of their advanced payment?

Rick Fisher: Correct, right.

(Shaheed Damon): OK and today would not be – go ahead.

Rick Fisher: You mean just for clarity purposes, so if a PIP provider were to get their accelerated payment, their lump sum payment in April and they are, I say, a 06/30 fiscal year-end cost report filer. Those cost reports are due in November. At that time of filing, the payment would not be recoup then because obviously you have not the full year afforded to you by the CARES Act. So, it would go to the future period, once the 12 months is has elapsed.

(Shaheed Damon): OK.

Rick Fisher: Yes.

(Shaheed Damon): OK, so then it would be the next year, so basically it would be the 2021 cost report settlement when the payment will be recoup?

Rick Fisher: It would – yes, I mean theoretically that would be – that's the process, yes, you're correct.

(Shaheed Damon): OK, thank you.

Operator: Your next question is from (Catherine Yamata). Your line is now open.

(Catherine Yamata): Yes, thank you for taking my question. I wanted to confirm during the one-year payback period, are you saying that it is interest-free and that the 10.25 percent interest rate applies after one year?

Sherri McQueen: Correct. If you haven't repaid the full amount, there is – you got a 30-day notification period and then interest will begin to accrue.

(Catherine Yamata): OK, thank you.

Sherri McQueen: You're welcome.

Operator: Your next question is from (Jason Williams). Your line is now open.

(Jason Williams): Thanks for taking my questions. I have a few questions regarding the withhold that had been pretty much touched on you but I have some – a little bit more specific question related to that. So, yes, another PIP question for you, sorry. So theoretically, if a hospital is on PIP, they – depending on the timeframe for their fiscal year-end and their cost report, it could be that they don't repay for more than 12 months without any penalties, is that accurate?

Sherri McQueen: According to the ...

Rick Fisher: At 12 months – yes, go ahead Sherri.

Sherri McQueen: ... CARES Act, you would be expected to repay within the 12 months but the final reconciliation for you is done on the cost report that you would be submitting. And in this case, it sounds like it's outside of the one-year period.

(Jason Williams): OK, so if you ...

Sherri McQueen: So where everything would get (queue) up. Yes.

(Jason Williams): So if you do have it queued up and you end up like when you file the cost report, you pay – you send in a check with the cost report, if that's over 12 months, are you going to be assessed interest on that balance?

Sherri McQueen: According to the CARES Act, yes, because you only have a year from the payment.

(Jason Williams): OK, OK. So for PIP – so for PIP hospitals, there will be no automatic withholdings until the cost report submission?

Sherri McQueen: Correct.

(Jason Williams): Or will there? Sorry.

Sherri McQueen: Your payments are receive-based where you get the periodic interim payment and Rick, jump in any minute, so.

Rick Fisher: OK.

Sherri McQueen: You're not – you're not getting like claim by claim reimbursement, correct?

(Jason Williams): That's correct.

Sherri McQueen: Right, so then you would be expected to repay the debt within the one year. Now, you could choose to work out a payment structure with you MAC, interest-free, for that one year, that's a possibility or you can wait until the one year is up and get your demand letter from the MAC and then pay at that time.

If you don't pay within the one year, then yes, the balance would be subject to interest. If your cost report is not filed until after the one year, you would get the final reconciliation at that point but the expectation would have been that you would have already paid.

So for example if your one year ended August 31st and your cost report was due five months after that, which I'm not sure, then you would be subject to interest if you hadn't paid by the end of that – by August 31st. You get the 30 days, so technically September 30th.

(Jason Williams): OK. So, yes, I guess that's what I was trying to clarify is if you are a PIP provider, then your PIP rate would not be withheld. You'd still – you (need) to get your PIP throughout the entire year, is that correct?

Sherri McQueen: Correct, yes.

(Jason Williams): And what about the outpatient claims? Are outpatient claims withheld after – starting with day 121?

Sherri McQueen: Those are claims that you receive reimbursement for, separate from your PIP?



(Jason Williams): Yes – yes.

Sherri McQueen: Then yes.

(Jason Williams): Because PIP was – our PIP payment is only for inpatient claims.

Sherri McQueen: Right.

(Jason Williams): OK, so outpatient claims will be withheld starting with day 121.

Sherri McQueen: Correct.

(Jason Williams): OK, great. OK, good information. All right, so my next question is more of – is a tricky question. I'm not sure you'll be able to answer it but I'll try. So we have – we're – our health system is set up in such a way that there is different types of providers under the same tax ID. So like for example, our PIP hospital has the same tax ID as for example a home care and if we requested an advance payment or ...

Sherri McQueen: Accelerated.

Rick Fisher: Not advance.

(Jason Williams): Yes, you know, so for both of them and the – I know that CMS can then kind of lump those two providers together because they're under the same tax ID for withholdings, so I'm not sure if you get what I'm asking. But – so if one entity is withheld fully but then the other one still has a balance say the hospital still has a balance, will that home health agency continue to get cash or will they be still withheld because of the other entity under the same tax ID still has this outstanding loan?

Sherri McQueen: If they are under the same tax ID and the balance has not been repaid and within that 30-day grace period, we would recoup from the – is the potential if there's a balance that we recoup from any of the providers that are linked to that tax ID number. That's within our administrative authority.

(Jason Williams): OK.

Sherri McQueen: And that's not something that's new to this program, that's just – that's been in place ...

(Jason Williams): No, I understand.

Sherri McQueen: OK.

(Jason Williams): OK. And then my last question is, if the recoupment is not made by the – in the appropriate period, whether it be the 210 days or one year and the demand letter is sent, is there like a grace period from when the demand letter is sent until the payment is due to not the assessed interest?

Sherri McQueen: It's 30 days, so ...

(Jason Williams): OK.

Sherri McQueen: Yes.

(Jason Williams): OK. And then – and then this is a – so this is for all Part A and Part B services and I heard a couple of different things. Number one, psych and rehab units attached to a hospital or any other subprovider attached to a hospital, they are the three months' worth of activity. And then, did I hear that you said long-term care hospitals and like there, for example, a free-standing psych hospitals, those are not eligible for this payment program or are there ...

Sherri McQueen: They're eligible.

(Jason Williams): They're limited to three months.

Sherri McQueen: They're limited to three months, yes.

(Jason Williams): OK, perfect. OK, thank you very much. That was a lot of questions, thanks for helping me.

Sherri McQueen: You're welcome.

Operator: Your next question is from (Mark Carpsi). Your line is now open.

(Mark Carpspi): Is this – this is (Mark Carpspi), is it me – is my line open?

Sherri McQueen: Yes, I can hear you (Mark), this is Sherri.

(Mark Carpspi): OK, hey Sherri, it's good to hear your voice and thank you very much ...

Sherri McQueen: Thank you.

(Mark Carpspi): ... for all of these information. I just wanted to clarify because you talked about Part A providers, so an IPPS hospital would be a Part A provider but it would also have subproviders like IRFs and rehab units. So is an IPPS hospital subject to two different categories of payments or would they be subject to one?

So for instance, on their Part A and Part B payments, I think you made clear that they would be able to receive an advance for six months' worth of payments and they would have a year to repay. But, I think I also said that the subproviders within those IPPS hospitals would be subject to the three months of advance payments and would have 210 days to repay. Is that correct?

Sherri McQueen: Rick, can you answer that one?

Rick Fisher: So, a free-standing psych, rehab, long-term care obviously, they are subject to three months but I believe my understanding is those subproviders, a psych, subunit of a hospital, they will follow the same treatment that the main CCM at the main hospital ...

(Mark Carpspi): OK.

Rick Fisher: ... is afforded, so they would get the six months as well.

(Mark Carpspi): OK, great, thank you very much. That's very helpful because that's what I was going to encourage that you – I think it would be administratively much simpler to have the single set of rules that apply to a given hospital. So, an IPPS hospital with subproviders like IRFs and rehab units would be subject to the six months of advance payment with one-year to repay. So, I think that's very helpful. Thank you very much, Rick.

And I just want to clarify, I know this has been asked a number of times but I just want it stated as clearly as I think the policy is, so there's the advance payment, there's the 120 days without any repayment, then there's repayment by offset beginning at 120 days. And then, my question is when does the demand letter get issued?

It gets issued at one year for the IPPS hospitals and the other provider types that have a year to pay back and then it's 30 days from that date that interest payments begin? Then, it would be 210 days for all the other provider types and suppliers and 30 days through that date. I'm just clarifying that no interest payments ...

Sherri McQueen: Correct.

(Mark Carpspi): ... and no demand letter would be issued at 120 days.

Sherri McQueen: That is correct.

(Mark Carpspi): OK, very good, thank you. And then just one more quick question, if a provider needed a smaller withhold than a 50 percent and an extended payment plan, they would just address that with their MAC?

Sherri McQueen: Correct but, (Mark) to be clear, the extended repayment plan is assuming you're not paying within those 210 days or one year.

(Mark Carpspi): OK, correct. And then the extended repayment plan would go beyond that and then interest would be due.

Sherri McQueen: Correct.

(Mark Carpspi): Thank you very much. And may I say, I was very impressed with the CARES Act. It was enacted on Friday and I was sitting at my computer working on it on Saturday and we – and the guidance material came up from CMS, so I was very impressed with how rapid CMS has been getting all of this information out. So, I want to thank you for all the work you've been doing.

Operator: Thank you. It looks like we are just about at time. Everyone, if you had a question that we didn't get to, I'd like to share our COVID-19 e-mail address and that is [covid-19@cms.hhs.gov](mailto:covid-19@cms.hhs.gov), again it's [covid-19@cms.hhs.gov](mailto:covid-19@cms.hhs.gov).

Megan and Sherri, any final remarks before we close today's call?

Megan Worstell: I want to say I really do appreciate all the questions and I know that some of these gets very technical and – but I do – we are taking all of the questions that we're getting and everything, all the – we've gotten a lot of comments about how we can try to help.

And we've been working with our legal counsel to see if we have any other flexibilities to help folks and that kind of thing and we will continue to do that as this goes on. And so, I really appreciate all the work that you guys are doing in this space. I know it's tough for everybody and we hope to be your partners along the way.

Sherri, do you want to say anything?

Sherri McQueen: No, I'm good. Thank you all. I hope that this was helpful for you and again if you have any additional questions, you can send them to the mailbox but also please watch for a frequently asked questions posting that will come out in a few days to the CMS website.

Operator: This concludes today's call. Thanks again everyone. Take care.

End