

Eli's Hospice Insider

Reimbursement: Take These 4 Steps To Prepare For Eventual Accelerated Payment Recoupment

An extended repayment schedule may be a last resort.

Hospices have won some breathing room on accelerated and advance payments, but they can't just ignore the issue until next spring. Heed this advice to stay on top of the matter:

1. Know your status. If you're not sure exactly how much you have in COVID-19-related AAPs, you should find out. The Centers for Medicare & Medicaid Services "will be communicating with each provider and supplier in the coming weeks as to the repayment terms and amounts owed as applicable for any accelerated or advance payment issued," the agency says in its release on the topic.

If you don't hear from CMS and its representatives, or if you have further questions about your AAP, "providers and suppliers should contact their MAC to receive current balance and payment information related to the repayment of their AAP payment," CMS urges in its newly released Frequently Asked Question set on the matter.

HHH Medicare Administrative Contractor Palmetto GBA says it "will issue letters to any provider or facility that received an AAP with full details regarding repayment of their accelerated or advanced payment," according to a post on its website. "The letter will include a list of the provider's accelerated or advance payment(s), including the amount(s), the date(s) that repayment will begin, and the related Accounts Receivable (AR) number(s)," according to the MAC.

"If a provider received accelerated or advance payment(s) in multiple disbursements, each disbursement amount will be listed, along with the corresponding date that repayment for each disbursement will begin," Palmetto adds.



2. Plan cash flow. Hopefully the extra time before recoupment commences and the phased-in takebacks will allow you to repay what you owe, notes finance expert **Dave Macke** with VonLehman & Co. in Fort Mitchell, Kentucky. But you should start planning your cash flow now to be able to cover the recoupments that will start next spring, Macke advises.

3. Track payments. "Borrowers [should] establish a system to track their Medicare claims submitted, Medicare reimbursement received, and Medicare reimbursements recouped during the 29-month recoupment period in order to reconcile the payback process," suggests attorney **Jennifer Russano Koltse** with law firm Chapman & Cutler in Chicago.

4. Keep your options in mind. If you get to the end of the AAP recoupment process and find you can't manage, you have one other course of action. As the 29-month process wraps up, "CMS will issue letters requiring repayment of any outstanding balance, subject to an interest rate of four percent," the agency explains. "The letter also provides guidance on how to request an Extended Repayment Schedule (ERS) for providers and suppliers who are experiencing financial hardships." If granted, an ERS can span up to three or even five years.

But remember: "A provider or supplier would need to meet specified criteria related to financial 'hardship' or 'extreme hardship' under 42 C.F.R. 401.607(c)(2) in order to be eligible for an ERS," CMS reminds in its FAQ set.