

## Medicare Accelerated and Advance Payment (AAP) Repayment

AAP repayments will begin for all Medicare providers who received AAP payments starting one year from the date of the AAP receipt. Repayment start dates are specific to SNF providers associated with their individual date of AAP receipt. For many SNFs, repayment dates begin in April of 2021. Providers do not need to take any action to repay.

Rather Medicare Administrative Contractors (MACs) automatically will begin to recover payment amounts reducing paid claims until the AAP is repaid. AHCA was successful with ensuring SNFs were included in the Continuing Appropriations Act, 2021 and Other Extensions Act. This law extended and modified the repayment schedule. Additionally, the law fixed the interest rate at 4%. Normally, AAP payment extensions are subject to the Treasury Department's given interest rate. Access to these provisions offer more time to repay and more predictability through a fixed interest rate.

Based on the statutorily defined schedule, SNFs should assess their cash flow for quarter two of 2021. For an AHCA overview of the repayment schedule, additional AAP information (including options to request payment extensions), and MAC webpages, [click here](#) and to review the CMS FAQs, [click here](#).

*In summary repayments terms include:*

- Repayment begins one year from the date the accelerated or advance payment was issued.
- Beginning one year from the date the payment was issued and continuing for eleven months, Medicare payments owed to providers and suppliers will be recouped at a rate of 25 percent.
- After the eleven months, Medicare payments owed to providers and suppliers will be recouped at a rate of 50 percent for another six months.

## Ability to Submit ERS Applications

After the six months (29 months from the initial AAP), MACs will issue letters for the remaining balance of the accelerated or advance payment(s). If a letter requiring reimbursement is issued, providers and suppliers will have 30 days from the date of the letter to repay the balance in full. If payment is not received within 30 days, interest will accrue at the rate of four percent from the date the letter was issued and will be assessed for each full 30-day period that the balance remains unpaid.

Information related to Extended Repayment Schedules (ERS) will be included in these letters. For information on establishing an ERS, scroll down to section 50 (page 45) of the [Medicare Financial Management manual](#). Providers and suppliers will only be able to request ERSs after the 30-day demand letters are issued.