

May 15, 2020

The Honorable Jeanne Shaheen
United States Senate
506 Hart Senate Office Building
Washington, DC 20510

The Honorable Michael Bennet
United States Senate
261 Russell Senate Office Building
Washington DC 20510

Dear Senators Shaheen and Bennet:

On behalf of the physician and medical student members of the American Medical Association (AMA), thank you for introducing the Medicare Accelerated and Advance Payments Improvement Act of 2020. Whether our members are on the frontlines delivering vital services to patients during the coronavirus public health emergency or curtailing non-emergent medical services to preserve the use of scarce personal protective equipment and containing community spread, many physician practices are struggling to stay afloat financially. The AMA appreciates your efforts to make sure that once the COVID-19 public health emergency is over, there is a stable, accessible, and physician practice-based health system for all to receive quality care.

The AMA continues to advocate for and supports the following policy changes to the Medicare Accelerated and Advance Payment Program contained within your legislation:

- Resumption of the program for Part B entities;
- Postponement of the recoupment of disbursed funds until 365 days after the advance payment has been issued to a physician practice;
- Reduction of the per claim recoupment amount from 100% to 25%;
- Extension of the repayment period for physicians to two years;
- Reduction of the existing 10.25% interest rate accruing during the extended payment period to 1%; and
- Treatment of the payments through this program as if they were made from the General Fund of the U.S. Treasury.

These policy changes will support the efforts of practices to stay open throughout the length of the COVID-19 public health emergency and strengthen their ability to deliver services under a significantly impacted and altered environment. As the public gradually returns to physician offices to seek care, it is hoped that practices will reach their previous levels of service. The additional time before recoupment begins and the reduction in the amount recouped per claim will allow for a smoother transition for many practices. We appreciate that the policies contained in this bill will allow the practices to rebuild their volume of services by stabilizing their cash flow and revenues instead of dramatically recouping 100% of their Medicare claims.

The reduction of the interest rate for the Accelerated and Advance Payment Program will also afford physician practices additional relief. Physician practices will undoubtedly have to invest in additional telehealth and practice operation measures stemming from COVID-19 and the current 10.25% interest

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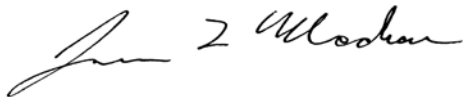
rate on funds would be just another impediment to implementing these much-needed adaptations. We are encouraged that the current interest rates are deemed by many as excessive under these circumstances and believe the lower rate is much more workable.

During this unprecedented pandemic, we believe it is important to assure that any federal payment program does not adversely impact the Medicare Trust Fund or related indexes for calculating health care expenditures. Therefore, the AMA supports the consideration of the payments from the Accelerated and Advance Payment Program being treated as a payment from the U.S. Treasury General Fund and not punitive against the Medicare program.

As physicians begin to resume daily treatment of patients under changed circumstances, the AMA urges the Senate to expeditiously pass the Medicare Accelerated and Advance Payments Improvement Act of 2020. This legislation will provide a measure of relief to physicians who are leading the fight in the battle against COVID-19.

Thank you for your attention to this important matter.

Sincerely,

A handwritten signature in cursive script, appearing to read "James L. Madara".

James L. Madara, MD